City of
Diamond Bar

City Council Agenda

Tuesday, January 16, 2024 6:30 PM

South Coast Air Quality Management District/Main Auditorium
21865 Copley Drive, Diamond Bar, CA 91765

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The City of Diamond Bar thanks you in advance for taking all precautions to prevent spreading the COVID-19 virus.

DIAMOND BAR CITY COUNCIL MEETING RULES

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PUBLIC INPUT

Members of the public may address the Council on any item of business on the agenda during the time the item is taken up by the Council. In addition, members of the public may, during the Public Comment period address the Council on any Consent Calendar item or any matter not on the agenda and within the Council's subject matter jurisdiction. Any material to be submitted to the City Council at the meeting should be submitted through the City Clerk.

Speakers are limited to five minutes per agenda item, unless the Mayor determines otherwise. The Mayor may adjust this time limit depending on the number of people wishing to speak, the complexity of the matter, the length of the agenda, the hour and any other relevant consideration. Speakers may address the Council only once on an agenda item, except during public hearings, when the applicant/appellant may be afforded a rebuttal.

Public comments must be directed to the City Council. A person who disrupts the orderly conduct of the meeting after being warned by the Mayor or the Mayor's designee that their behavior is disrupting the meeting, may result in the person being removed from the meeting.

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Computer access to agendas: www.diamondbarca.gov/agendas
General information: (909) 839-7000

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CITY OF DIAMOND BAR

CITY COUNCIL AGENDA

January 16, 2024

CALL TO ORDER:	6:30 p.m.
PLEDGE OF ALLEGIANCE:	Mayor
INVOCATION:	David Zacarias, Worship Leader, Landmark Church
ROLL CALL:	Chou, Low, Tye, Mayor Pro Tem Teng, Mayor Liu
APPROVAL OF AGENDA:	Mayor

1. SPECIAL PRESENTATIONS, CERTIFICATES, PROCLAMATIONS: NONE.

2. CITY MANAGER REPORTS AND RECOMMENDATIONS:

3. PUBLIC COMMENTS:

"Public Comments" is the time reserved on each regular meeting agenda to provide an opportunity for members of the public to directly address the Council on Consent Calendar items or other matters of interest not on the agenda that are within the subject matter jurisdiction of the Council. Although the City Council values your comments, pursuant to the Brown Act, members of the City Council or Staff may briefly respond to public comments if necessary, but no extended discussion and no action on such matters may take place. There is a five-minute maximum time limit when addressing the City Council. At this time, the teleconference moderator will ask callers one at a time to give their name and if there is an agenda item number they wish to speak on before providing their comment.

4. SCHEDULE OF FUTURE EVENTS:

4.1 Free Catalytic Converter Etching – January 17, 2024, 9:00 a.m. – 11:00 a.m., Calvary Chapel Golden Springs, 22324 Golden Springs Dr.

4.2 Planning Commission Meeting – January 23, 2024, 6:30 p.m. – 8:00 p.m., online teleconference and City Hall Windmill Room, 21810 Copley Dr.

4.3 Parks & Recreation Commission Meeting – January 25, 2024, 6:30 p.m. – 8:00 p.m., online teleconference and City Hall Windmill Room, 21810 Copley Dr.

4.4 City Council Meeting – February 6, 2024, 6:30 p.m., online teleconference and SCAQMD Main Auditorium, 21865 Copley Dr.

5. CONSENT CALENDAR:

All items listed on the Consent Calendar are considered by the City Council to be routine and will be acted on by a single motion unless a Council Member or member of the public request otherwise, in which case, the item will be removed for separate consideration.

5.1 CITY COUNCIL MINUTES OF THE DECEMBER 19, 2023 REGULAR MEETING.

5.1.a December 19, 2023 City Council Regular Meeting Minutes

Recommended Action:

Approve the December 19, 2023 Regular City Council meeting minutes.

Requested by: City Clerk

5.2 RATIFICATION OF CHECK REGISTER DATED DECEMBER 13, 2023 THROUGH JANUARY 9, 2024 TOTALING $2,364,013.03.

Recommended Action:

Ratify the Check Register.

Requested by: Finance Department

5.3 TREASURER'S STATEMENT

Recommended Action:

Approve the December 2023 Treasurer’s Statement.

Requested by: Finance Department

5.4 MASTER AGREEMENT ADMINISTERING AGENCY-STATE AGREEMENT ON STATE-FUNDED PROJECTS WITH THE STATE OF CALIFORNIA (CALTRANS), AND PROGRAM SUPPLEMENT AGREEMENT FOR INTERSECTION SAFETY IMPROVEMENTS PROJECT (CIP# TI24301) FUNDED UNDER THE HIGHWAY SAFETY IMPROVEMENT PROGRAM.

Recommended Action:

A. Approve, and authorize the Public Works Director/City Engineer to sign, the Master Agreement Administering Agency-State Agreement No. 07-5455S21 and Program Supplement No. 00000A335 accepting $302,850 in grant funds from the Highway Safety Improvement Program (HSIP);

B. Adopt Resolution No. 2024-01 authorizing the Public Works Director/City Engineer to sign necessary documents in administering the HSIP Grant; and

C. Determine that the approval of the funding agreement is not subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Article 18, Section 15378(b)(4).

Requested by: Public Works Department

6. PUBLIC HEARINGS:

6.1 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM ALLOCATIONS FOR FISCAL YEAR 2024/2025.

Recommended Action:

A. Open the public hearing to receive public testimony;

B. Close the public hearing; and

C. Adopt Resolution No. 2024-02 approving the Community Development Block Grant Funding Allocations for Fiscal Year 2024/2025.

Requested by: Community Development Department

7. COUNCIL CONSIDERATION:

7.1 TRANSMITTAL OF THE FISCAL YEAR 2022/23 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR).

Recommended Action:

A. Receive and File the Fiscal Year 2022/23 Annual Comprehensive Financial Report;

B. Approve an appropriation of Unassigned General Fund Reserves in the amount of $76,000 to the OPEB Reserve Fund (105);

C. Approve an appropriation of Unassigned General Fund Reserves in the amount of $1,204,585 to the Park & Facility Development Fund (262); and

D. Approve an appropriation of Unassigned General Fund Reserves in the amount of $1,204,585 to the Building Maintenance & Replacement Fund (504).

Requested by: Finance Department

7.2 RESULTS OF WASTE HAULER PROCUREMENT.

Recommended Action:

Receive presentation, deliberate and provide direction to staff.

Requested by: City Manager

8. COUNCIL SUB-COMMITTEE REPORTS AND MEETING ATTENDANCE REPORTS/COUNCIL MEMBER COMMENTS:

9. ADJOURNMENT:

Agenda #: *5.1*
Meeting Date: *January 16, 2024*

CITY OF DIAMOND BAR

INCORPORATED 1989

CITY COUNCIL AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Daniel Fox, City Manager

TITLE: **CITY COUNCIL MINUTES OF THE DECEMBER 19, 2023 REGULAR MEETING.**

STRATEGIC GOAL: *Open, Engaged & Responsive Government*

RECOMMENDATION:

Approve the December 19, 2023 Regular City Council meeting minutes.

FINANCIAL IMPACT:

None.

BACKGROUND/DISCUSSION:

Minutes have been prepared and are being presented for approval.

PREPARED BY:

Kristina Santana

Kristina Santana, City Clerk 1/16/2024

REVIEWED BY:

Ryan McLean

Ryan McLean, Assistant City Manager 1/9/2024

Attachments:

1. 5.1.a December 19, 2023 City Council Regular Meeting Minutes

CITY OF DIAMOND BAR
MINUTES OF THE CITY COUNCIL REGULAR MEETING
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT/MAIN AUDITORIUM
21865 COPLEY DRIVE, DIAMOND BAR, CA 91765
DECEMBER 19, 2023

CALL TO ORDER: Mayor Liu called the Regular City Council meeting to order at 6:30 p.m. in the South Coast Air Quality Management District Main Auditorium, 21865 Copley Drive, Diamond Bar, CA 91765.

PLEDGE OF ALLEGIANCE: Council Member Low led the Pledge of Allegiance.

INVOCATION: Reverend Tino Cordova, Diamond Bar United Church of Christ provided the Invocation.

ROLL CALL: Council Members Andrew Chou, Ruth Low, Steve Tye, Mayor Stan Liu

Absent: Mayor Pro Tem Chia Yu Teng

Staff Present In Person: Dan Fox, City Manager; Ryan McLean, Assistant City Manager; Omar Sandoval, City Attorney; Anthony Santos, Assistant to the City Manager; Jason Jacobsen, Finance Director; Cecilia Arellano, Senior Community Relations Coordinator; Marsha Roa, Community Relations Manager

Staff Present Telephonically: David Liu, Public Works Director; Hal Ghafari, Public Works Manager/Assistant City Engineer; Greg Gubman, Community Development Director; Dat Tran, Associate Planner; Amy Haug, Human Resources & Risk Manager; Ryan Wright, Parks and Recreation Director

Also Present: Daniel Dail, Lieutenant Diamond Bar/Walnut Station; Stephen Tousey, Captain, Diamond Bar/Walnut Station; Leticia Pacillas, LACFD Community Services Liaison (telephonically)

APPROVAL OF AGENDA: Mayor Liu approved the agenda as presented.

1. SPECIAL PRESENTATIONS, CERTIFICATES, PROCLAMATIONS:

1.1 Through My Lens Photo Contest Winner presentations by Council Members and Diamond Bar Community Foundation President John Forbing.

2. CITY MANAGER REPORTS AND RECOMMENDATIONS: NONE

3. PUBLIC COMMENTS:

Cynthia Yu, Diamond Bar Library, announced the return of the Winter Reading Club. Additional information is available at www.lacountylibrary.org

Shelley Gentry commented on what she deemed to be glaring errors and issues not discussed in the Royal Vista project's EIR.

Wanda Ewing, Royal Vista Open Space Non-Profit, requested the City Council to comment on the Draft Environmental Impact Report for the Royal Vista Housing project and submit a formal comment in opposition to the proposed project.

ACM/McLean stated that no emails were received and no one online wishing to speak during public comments.

4. SCHEDULE OF FUTURE EVENTS: CM/Fox presented the Schedule of Future Events.

5. CONSENT CALENDAR: C/Low moved, C/Chou seconded, to approve the Consent Calendar as presented with the exception of Item 5.6 pulled by C/Low for further discussion. Motion carried 4-0 by the following Roll Call vote:

AYES:	COUNCIL MEMBERS:	Chou, Low, Tye, M/Liu
NOES:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	MPT/Teng

5.1 APPROVED CITY COUNCIL MINUTES:

5.1.1 DECEMBER 5, 2023 REGULAR MEETING.

5.2 RATIFIED CHECK REGISTER DATED NOVEMBER 29, 2023 THROUGH DECEMBER 12, 2023 TOTALING $867,500.72.

5.3 APPROVED NOVEMBER 2023 TREASURER'S STATEMENT.

5.4 RATIFIED MAYOR'S APPOINTMENTS OF COUNCIL MEMBERS TO SERVE ON LOCAL AND REGIONAL BOARDS, COMMISSIONS AND COMMITTEES AND ADOPTED RESOLUTION NO. 2023-36 CONFIRMING APPOINTMENTS TO THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS.

5.5 ADOPTED PROCLAMATION DECLARING DECEMBER 19, 2023 AS ARBOR DAY.

ITEMS WITHDRAWN FROM CONSENT CALENDAR:

5.6 APPROVED AND AUTHORIZED THE CITY MANAGER TO SIGN THE LANDSCAPE MAINTENANCE AGREEMENTS WITH THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) AND LANDSCAPE MAINTENANCE SERVICES AGREEMENT WITH LYCOMING, LLC FOR APPROVED LANDSCAPING IMPROVEMENTS

WITHIN THE CALTRANS RIGHT-OF-WAY ABUTTING THE BREA CANYON BUSINESS PARK AT 850 SOUTH BREA CANYON ROAD.

CM/Fox responded to C/Low's question regarding jurisdiction and responsibility of the property owner for maintenance costs.

C/Low moved, C/Tye seconded, to approve Consent Calendar Item 5.6. Motion carried by the following Roll Call vote:

AYES:	COUNCIL MEMBERS:	Chou, Low, Tye, M/Liu
NOES:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	MPT/Teng

7. **PUBLIC HEARINGS:** NONE

8. **COUNCIL CONSIDERATION:** NONE

9, **COUNCIL SUBCOMMITTEE REPORTS AND MEETING ATTENDANCE REPORTS/COUNCIL MEMBER COMMENTS:**

C/Chou has enjoyed end of year festivities and activities with his family, attended the well-executed Snow Fest, thanks to staff and volunteers, congratulated the Walnut Valley Education Foundation on a successful Teddy Bear Tea and attended the Sanitation District meeting.

C/Low expressed appreciation to the Diamond Bar Community Foundation for their activities and support of City activities including the Photo Contest and Windmill Lighting, thanked staff for their great work over the past 12 months and residents for giving her the privilege of serving on the City Council. She wished everyone a Merry Christmas, Happy Holidays and a smashing 2024.

C/Tye agreed with C/Chou that the Snow Fest was a wonderful event with 100 tons of snow, spoke about representing the City at Foothill Transit on their 35th Anniversary, attended The Country Estates "Making Spirits Bright" and learned that 700 toys, formula, diapers, etc. had been provided to children of families at Twenty-Nine Palms, and attended the JPIA meeting in La Palma where building improvements are underway. He wished everyone a very Merry Christmas and a Happy New Year, Happy Kwanzaa and Happy whatever one celebrates.

M/Liu thanked staff and volunteers for an amazing year and turning the Snow Fest into a winter wonderland for kids and families, thanked the community for their kindness, empathy and generosity during the holidays, and thanked everyone for the privilege and honor of serving the community and for making Diamond Bar a better place to live, work and be educated. Happy and safe Holidays to everyone.

ADJOURNMENT: With no further business to conduct, M/Liu adjourned the Regular City Council Meeting was adjourned at 7:16 p.m. to January 16, 2024 at 6:30 p.m.

Respectfully Submitted:

Kristina Santana, City Clerk

The foregoing minutes are hereby approved this 16th day of January, 2024.

Stan Liu, Mayor

Agenda #: 5.2
Meeting Date: January 16, 2024

CITY COUNCIL AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Daniel Fox, City Manager

TITLE: **RATIFICATION OF CHECK REGISTER DATED DECEMBER 13, 2023 THROUGH JANUARY 9, 2024 TOTALING $2,364,013.03.**

STRATEGIC GOAL: *Responsible Stewardship of Public Resources*

RECOMMENDATION:

Ratify the Check Register.

FINANCIAL IMPACT:

Expenditure of $2,364,013.03.

BACKGROUND/DISCUSSION:

The City has established the policy of issuing accounts payable checks on a weekly basis with City Council ratification at the next scheduled City Council Meeting.

The attached check register containing checks dated December 13, 2023 through January 9, 2024 totaling $2,364,013.03 is being presented for ratification. All payments have been made in compliance with the City's purchasing policies and procedures, and have been reviewed and approved by the appropriate departmental staff. The attached Affidavit affirms that the check register has been audited and deemed accurate by the Finance Director.

PREPARED BY:

Luisa Allen

Luisa Allen, Accounting Technician 1/16/2024

REVIEWED BY:

Peter Samy

Peter Samy, Finance Supervisor 1/10/2024

Jason Jacobsen

Jason Jacobsen, Finance Director 1/10/2024

Attachments:

1. 5.2.a Check Register Affidavit 1-16-2024
2. 5.2.b Check Register 1-16-2024

CITY OF DIAMOND BAR
CHECK REGISTER AFFIDAVIT

The attached listings of demands, invoices, and claims in the form of a check register including checks dated December 13, 2023 through January 9, 2024 has been audited and is certified as accurate. Payments have been allowed from the following funds in these amounts:

Description	Amount
General Fund	$976,207.84
LLAD 38 Fund	$15,053.34
LLAD 39 Fund	$10,499.08
LLAD 41 Fund	$15,916.45
Integrated Waste Mgmt Fund AB939	$4,544.35
Prop C Transit Tax Fund	$30,823.22
Prop A Transit Tax Fund	$21,160.01
Community Dev Block Grant Fund	$3,056.06
Capital Imprv Project Fund	$1,214,551.62
Vehicle Maint & Equip Fund	$2,413.01
Equip Maint & Replacement Fund	$6,560.00
Beverage Cntnr Recycling Grant Fund	$1,954.25
Used Motor Oil Block Grant Fund	$48.47
General Plan Update Fund	$32,154.75
Measure W Local Return Fund	$28,070.58
Community Organization Support Fund	$1,000.00
	$2,364,013.03

Signed:

Finance Director
Jason M. Jacobsen

City of Diamond Bar Check Register

5.2.b

CHECK #	CHECK DATE	VENDOR NAME	OTP VENDOR NAME	INVOICE DESCRIPTION	ORG	OBJECT	AMOUNT
10627	12/18/2023	SOUTHERN CALIFORNIA EDISON		TRAFFIC CONTROL - 21250 GOLDEN SPRNGS PED - TC-1	100655	52210	$75.29
						CHECK TOTAL	**$75.29**
10680	12/18/2023	SOUTHERN CALIFORNIA EDISON		SAFETY LIGHTS - 3564 S BREA CYN RD B-PED - LS-3	100655	52210	$35.49
						CHECK TOTAL	**$35.49**
10681	12/18/2023	SOUTHERN CALIFORNIA EDISON		SAFETY LIGHTS - 2746 BREA CYN BPED - LS-3	100655	52210	$42.74
						CHECK TOTAL	**$42.74**
10682	12/18/2023	SOUTHERN CALIFORNIA EDISON		GS-1 - 23331 GOLDEN SPRINGS PED - GS-1	100655	52210	$90.61
						CHECK TOTAL	**$90.61**
10683	12/18/2023	SOUTHERN CALIFORNIA EDISON		TRAFFIC CONTROL - 20781 PATHFINDER - TC-1	100655	52210	$109.64
						CHECK TOTAL	**$109.64**
10684	12/18/2023	SOUTHERN CALIFORNIA EDISON		TRAFFIC CONTROL - 20439 GOLDEN SPRINGS PED - TC-1	100655	52210	$111.76
						CHECK TOTAL	**$111.76**
10685	12/18/2023	SOUTHERN CALIFORNIA EDISON		TRAFFIC CONTROL - 717 GRAND AVE TC-1	100655	52210	$116.07
						CHECK TOTAL	**$116.07**
10686	12/18/2023	SOUTHERN CALIFORNIA EDISON		GS-1 - 2838 S DBB PED - GS-1	100655	52210	$99.88
						CHECK TOTAL	**$99.88**
10687	12/18/2023	SOUTHERN CALIFORNIA EDISON		TRAFFIC CONTROL - 20791 GOLDEN SPRINGS - TC-1	100655	52210	$132.77
						CHECK TOTAL	**$132.77**
10688	12/21/2023	SOUTHERN CALIFORNIA EDISON		633 GRAND (110723-120723) FY23-24	238638	52210	$16.32
						CHECK TOTAL	**$16.32**
10689	12/22/2023	TASC		FLEX SPENDING MEDICAL/CHILDCARE 12/22/2023	238	21118	$4.81
	12/22/2023	TASC		FLEX SPENDING MEDICAL/CHILDCARE 12/22/2023	239	21118	$4.81
	12/22/2023	TASC		FLEX SPENDING MEDICAL/CHILDCARE 12/22/2023	241	21118	$4.81

City of Diamond Bar Check Register

5.2.b

CHECK #	CHECK DATE	VENDOR NAME	OTP VENDOR NAME	INVOICE DESCRIPTION	ORG	OBJECT	AMOUNT
	12/22/2023	TASC		FLEX SPENDING MEDICAL/CHILDCARE 12/22/2023	207	21118	$13.94
	12/22/2023	TASC		FLEX SPENDING MEDICAL/CHILDCARE 12/22/2023	250	21118	$26.85
	12/22/2023	TASC		FLEX SPENDING MEDICAL/CHILDCARE 12/22/2023	206	21118	$48.85
	12/22/2023	TASC		FLEX SPENDING MEDICAL/CHILDCARE 12/22/2023	100	21118	$1,846.10
						CHECK TOTAL	**$1,950.17**
10690	12/22/2023	VANTAGEPOINT TRNSFR AGNTS-303248		DEFERRED COMP CONTRIBUTIONS/LOAN PYMTS 12/22/2023	225	21109	$1.88
	12/22/2023	VANTAGEPOINT TRNSFR AGNTS-303248		DEFERRED COMP CONTRIBUTIONS/LOAN PYMTS 12/22/2023	239	21109	$141.34
	12/22/2023	VANTAGEPOINT TRNSFR AGNTS-303248		DEFERRED COMP CONTRIBUTIONS/LOAN PYMTS 12/22/2023	241	21109	$141.34
	12/22/2023	VANTAGEPOINT TRNSFR AGNTS-303248		DEFERRED COMP CONTRIBUTIONS/LOAN PYMTS 12/22/2023	206	21109	$186.55
	12/22/2023	VANTAGEPOINT TRNSFR AGNTS-303248		DEFERRED COMP CONTRIBUTIONS/LOAN PYMTS 12/22/2023	238	21109	$282.68
	12/22/2023	VANTAGEPOINT TRNSFR AGNTS-303248		DEFERRED COMP CONTRIBUTIONS/LOAN PYMTS 12/22/2023	207	21109	$292.34
	12/22/2023	VANTAGEPOINT TRNSFR AGNTS-303248		DEFERRED COMP CONTRIBUTIONS/LOAN PYMTS 12/22/2023	250	21109	$474.49
	12/22/2023	VANTAGEPOINT TRNSFR AGNTS-303248		DEFERRED COMP CONTRIBUTIONS/LOAN PYMTS 12/22/2023	100	21109	$18,518.67
						CHECK TOTAL	**$20,039.29**
10691	12/22/2023	CALPERS		PENSION CONTRIBUTION 12/2/23-12/15/23 & 12/1-31/23	225	21110	$19.15
	12/22/2023	CALPERS		PENSION CONTRIBUTION 12/2/23-12/15/23 & 12/1-31/23	239	21110	$160.20
	12/22/2023	CALPERS		PENSION CONTRIBUTION 12/2/23-12/15/23 & 12/1-31/23	241	21110	$160.20

City of Diamond Bar Check Register

CHECK #	CHECK DATE	VENDOR NAME	OTP VENDOR NAME	INVOICE DESCRIPTION	ORG	OBJECT	AMOUNT
	12/22/2023	CALPERS		PENSION CONTRIBUTION 12/2/23-12/15/23 & 12/1-31/23	238	21110	$228.97
	12/22/2023	CALPERS		PENSION CONTRIBUTION 12/2/23-12/15/23 & 12/1-31/23	206	21110	$554.56
	12/22/2023	CALPERS		PENSION CONTRIBUTION 12/2/23-12/15/23 & 12/1-31/23	207	21110	$611.03
	12/22/2023	CALPERS		PENSION CONTRIBUTION 12/2/23-12/15/23 & 12/1-31/23	250	21110	$2,260.76
	12/22/2023	CALPERS		PENSION CONTRIBUTION 12/2/23-12/15/23 & 12/1-31/23	100	21110	$43,040.46
						CHECK TOTAL	**$47,035.33**
10692	12/27/2023	ALL CITY MANAGEMENT SERVICES INC		CROSSING GUARD SERVICES - 10/29/23-11/11/23	100310	55412	$12,138.48
	12/27/2023	ALL CITY MANAGEMENT SERVICES INC		CROSSING GUARD SERVICES - 11/12/23-11/25/23	100310	55412	$7,036.80
						CHECK TOTAL	**$19,175.28**
10693	12/27/2023	ANCOM GROUP INC		INSTRUCTOR PAYMENT - EDUCATION - FALL 23	100520	55320	$270.00
						CHECK TOTAL	**$270.00**
10694	12/27/2023	BISHOP JOHN		INSTRUCTOR PAYMENT - MARTIAL ARTS - FALL 23	100520	55320	$216.00
						CHECK TOTAL	**$216.00**
10695	12/27/2023	BLOOMINGBAY INC		SHERIFF VOLUNTEER ON PATROL APPRECIATION DINNER 23	100320	52410	$1,341.06
						CHECK TOTAL	**$1,341.06**
10696	12/27/2023	KATHY BREAUX		INSTRUCTOR PAYMENT - ART - FALL 23	100520	55320	$58.80
						CHECK TOTAL	**$58.80**
10697	12/27/2023	CIVICPLUS LLC		MUNI CODE UPDATE	100140	54900	$12.20
						CHECK TOTAL	**$12.20**
10698	12/27/2023	COCO SUTZE CHENG		INSTRUCTOR PAYMENT - ZUMBA - FALL 23	100520	55320	$120.00
						CHECK TOTAL	**$120.00**
10699	12/27/2023	CODING MINDS INC		INSTRUCTOR PAYMNET - COMPUTER - FALL 22	100520	55320	$264.00
	12/27/2023	CODING MINDS INC		INSTRUCTOR PAYMENT - COMPUTER - FALL 22	100520	55320	$132.00

City of Diamond Bar Check Register

5.2.b

CHECK #	CHECK DATE	VENDOR NAME	OTP VENDOR NAME	INVOICE DESCRIPTION	ORG	OBJECT	AMOUNT
	12/27/2023	CODING MINDS INC		INSTRUCTOR PAYMENT - COMPUTER - WS23	100520	55320	$132.00
	12/27/2023	CODING MINDS INC		INSTRUCTOR PAYMENT - COMPUTER - WS 23	100520	55320	$132.00
	12/27/2023	CODING MINDS INC		INSTRUCTOR PAYMENT - COMPUTER - WS 23	100520	55320	$198.00
	12/27/2023	CODING MINDS INC		INSTRUCTOR PAYMENT - COMPUTERS - SUM 23	100520	55320	$423.00
	12/27/2023	CODING MINDS INC		INSTRUCTOR PAYMENT - COMPUTER - SUM 23	100520	55320	$282.00
	12/27/2023	CODING MINDS INC		INSTRUCTOR PAYMENT - COMPUTER - SUM 23	100520	55320	$282.00
	12/27/2023	CODING MINDS INC		INSTRUCTOR PAYMENT - COMPUTER - FALL 23	100520	55320	$120.00
						CHECK TOTAL	**$1,965.00**
10700	12/27/2023	COPP CONTRACTING INC		AREA 2 - RES/COLL REHAB PROJ RETENTION	301	29004	$1,600.63
	12/27/2023	COPP CONTRACTING INC		AREA 2 - RES/COLL REHAB PROJ RETENTION	301	29004	$2,846.88
	12/27/2023	COPP CONTRACTING INC		AREA 2 - RES/COLL REHAB PROJ RETENTION	301	29004	$3,177.00
	12/27/2023	COPP CONTRACTING INC		AREA 2 - RES/COLL REHAB PROJ RETENTION	301	29004	$5,861.05
	12/27/2023	COPP CONTRACTING INC		AREA 2 - RES/COLL REHAB PROJ RETENTION	301	29004	$12,044.93
	12/27/2023	COPP CONTRACTING INC		AREA 2 - RES/COLL REHAB PROJ RETENTION	301	29004	$15,675.54
	12/27/2023	COPP CONTRACTING INC		AREA 2 - RES/COLL REHAB PROJ RETENTION	301	29004	$31,945.03
	12/27/2023	COPP CONTRACTING INC		AREA 2 - RES/COLL REHAB PROJ RETENTION	301	29004	$40,301.19
	12/27/2023	COPP CONTRACTING INC		AREA 2 - RES/COLL REHAB PROJ RETENTION	301	29004	$45,878.75
						CHECK TOTAL	**$159,331.00**
10701	12/27/2023	CRAFCO INC		ROAD MAINT (SYCAMORE PARK) FY23-24	100655	51250	$2,108.20
						CHECK TOTAL	**$2,108.20**
10702	12/27/2023	CT & T CONCRETE PAVING INC		AREA 3 RESIDENTIAL ADA CURB RA	301610	56101	$152,608.00

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CHECK #	CHECK DATE	VENDOR NAME	OTP VENDOR NAME	INVOICE DESCRIPTION	ORG	OBJECT	AMOUNT
						CHECK TOTAL	**$152,608.00**
10703	12/27/2023	DAVID EVANS AND ASSOCIATES INC		LANDSCAPE PLAN CHECK SVCS-9/24 THRU 10/28/23	100	22107	$55.00
	12/27/2023	DAVID EVANS AND ASSOCIATES INC		LANDSCAPE PLAN CHECK SVCS-9/24 THRU 10/28/23	100	22107	$186.50
	12/27/2023	DAVID EVANS AND ASSOCIATES INC		LANDSCAPE PLAN CHECK SVCS-9/24 THRU 10/28/23	100	22107	$617.50
	12/27/2023	DAVID EVANS AND ASSOCIATES INC		LANDSCAPE PLAN CHECK SVCS-9/24 THRU 10/28/23	100	22107	$847.50
						CHECK TOTAL	**$1,706.50**
10704	12/27/2023	DEPARTMENT OF JUSTICE		LIVESCAN FEES	100220	52510	$96.00
						CHECK TOTAL	**$96.00**
10705	12/27/2023	DIANA CHO & ASSOCIATES		CBDG ADMINISTRATIVE SERVICES-AREA 3 SEPT 2023	301610	56101	$1,360.00
						CHECK TOTAL	**$1,360.00**
10706	12/27/2023	EXTERIOR PRODUCTS CORP		US FLAG INSTALL/REMOVAL (VETERAN DAY) FY23-24	100630	56116	$6,487.50
	12/27/2023	EXTERIOR PRODUCTS CORP		EQUIP MAINT & REPAIR (DBC) FY23-24	100510	52320	$2,271.07
	12/27/2023	EXTERIOR PRODUCTS CORP		EQUIP MAINT & REPAIR (DBC) FY23-24	100510	52310	$2,500.00
						CHECK TOTAL	**$11,258.57**
10707	12/27/2023	FOOTHILL BUILDING MATERIALS INC		SANDBAGS (STATION#119) FY23-24	100350	51200	$628.53
	12/27/2023	FOOTHILL BUILDING MATERIALS INC		SANDBAGS (STATION#121) FY23-24	100350	51200	$628.53
						CHECK TOTAL	**$1,257.06**
10708	12/27/2023	FRANCOISE S ZAMBRA		INSTRUCTOR PAYMENT - PILATES - FALL 23	100520	55320	$432.00
						CHECK TOTAL	**$432.00**
10709	12/27/2023	FUN EXPRESS LLC		SUPPLIES FOR WINTER SNOW FEST	100520	51200	$4,308.85
	12/27/2023	FUN EXPRESS LLC		SUPPLIES FOR HALLOWEEN PARTY	100520	51200	$3,706.43
						CHECK TOTAL	**$8,015.28**
10710	12/27/2023	GERALDINE KELLER		INSTRUCTOR PAYMENT - CULINARY - FALL 23	100520	55320	$51.00
						CHECK TOTAL	**$51.00**

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CHECK #	CHECK DATE	VENDOR NAME	OTP VENDOR NAME	INVOICE DESCRIPTION	ORG	OBJECT	AMOUNT
10711	12/27/2023	WOODS MAINTENANCE SERVICES INC		GRAFFITI ABATEMENT NOVEMBER 2023	100430	55540	$3,475.00
						CHECK TOTAL	**$3,475.00**
10712	12/27/2023	HEATHER JEN CHANG		CONTRACT CLASS INSTRUCTOR- ART	100520	55320	$741.00
						CHECK TOTAL	**$741.00**
10713	12/27/2023	HODGMAN ENTERPRISES		PRINTING, MALING OF WINTER SPRING 2024 REC GUIDE	100240	52110	$10,944.01
						CHECK TOTAL	**$10,944.01**
10714	12/27/2023	HOME DEPOT CREDIT SERVICES		CREDIT INVOICE	100630	52320	($551.13)
	12/27/2023	HOME DEPOT CREDIT SERVICES		MAINT TOOLS&EQUIP FY23-24	100630	52320	$306.88
	12/27/2023	HOME DEPOT CREDIT SERVICES		MAINT TOOLS&EQUIP FY23-24	100630	52320	$75.03
	12/27/2023	HOME DEPOT CREDIT SERVICES		MAINT TOOLS& EQUIP FY23-24	100655	51250	$104.96
	12/27/2023	HOME DEPOT CREDIT SERVICES		MAINT TOOLS &EQUIP FY23-24	100630	52320	$133.36
						CHECK TOTAL	**$69.10**
10715	12/27/2023	HUMANE SOCIETY OF POMONA VALLEY INC		IVHS ANIMAL CONTROL SERVICES IN NOVEMBER	100340	55404	$38,134.67
						CHECK TOTAL	**$38,134.67**
10716	12/27/2023	JAVIER DJEU		INSTRUCTOR PAYMENT - PICKLEBALL - FALL 23	100520	55320	$1,286.40
						CHECK TOTAL	**$1,286.40**
10717	12/27/2023	JNA EVENTS SERVICES LLC		SENIOR DANCE CATERING	100520	55310	$6,563.25
						CHECK TOTAL	**$6,563.25**
10718	12/27/2023	JOE A GONSALVES & SON INC		STATE LOBBYIST - PROF. SERVICES IN JAN. 2024	100130	54900	$2,500.00
						CHECK TOTAL	**$2,500.00**
10719	12/27/2023	KEVIN D JONES		PS -SR-57/60 CONFLUENCE PROJ ADVOCACY - NOV 2023	100615	54400	$4,000.00
						CHECK TOTAL	**$4,000.00**
10720	12/27/2023	KIMBERLY DOWNEY ESMOND		CONTRACT CLASS INSTRUCTOR - YOUTH DANCE	100520	55320	$1,065.60
						CHECK TOTAL	**$1,065.60**
10721	12/27/2023	LEACH ROOFING COMPANY		CDBG HOME IMP PROJECT-23720 BOWER CASCADE	225440	54900	$2,008.00

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CHECK #	CHECK DATE	VENDOR NAME	OTP VENDOR NAME	INVOICE DESCRIPTION	ORG	OBJECT	AMOUNT
						CHECK TOTAL	**$2,008.00**
10722	12/27/2023	LEWIS ENGRAVING INC		OUTGOING MAYOR PHOTO NAME PLATE	100140	52140	$21.25
	12/27/2023	LEWIS ENGRAVING INC		NAME BADGE	100140	52140	$17.95
						CHECK TOTAL	**$39.20**
10723	12/27/2023	LOCAL AGENCY ENGINEERING ASSOCIATES INC		PS - ENGINEERING STAFF AUGMENTATION - NOV 2023	100610	54400	$647.50
	12/27/2023	LOCAL AGENCY ENGINEERING ASSOCIATES INC		PS - STAFF AUGMENTATION - NOV 2023	207615	54400	$2,070.00
						CHECK TOTAL	**$2,717.50**
10724	12/27/2023	LOOMIS		COURIER SERVICES - NOVEMBER 2023	100210	54900	$729.78
	12/27/2023	LOOMIS		COURIER SERVICES - NOVEMBER 2023	100510	54900	$729.78
						CHECK TOTAL	**$1,459.56**
10725	12/27/2023	LOS ANGELES COUNTY PUBLIC WORKS		FY22-23 CATCH BASIN CLEANOUT(070123-063023)	201655	55530	$7,985.58
	12/27/2023	LOS ANGELES COUNTY PUBLIC WORKS		CS - INDUSTRIAL SERVICES - NOV 2023	100610	55550	$2,113.84
						CHECK TOTAL	**$10,099.42**
10726	12/27/2023	LOS ANGELES COUNTY SHERIFF'S DEPT		FY2023-24 GEN LAW ENFORCEMENT SERVICES 10-2023	100310	55400	$627,720.11
						CHECK TOTAL	**$627,720.11**
10727	12/27/2023	LOWE'S BUSINESS ACCOUNT		SMALL TOOLS & EQUIPMENT FY23-24	100630	52320	$43.80
	12/27/2023	LOWE'S BUSINESS ACCOUNT		SMALL TOOLS & EQUIPMENT FY23-24	100630	51300	$143.41
	12/27/2023	LOWE'S BUSINESS ACCOUNT		SMALL TOOLS & EQUIPMENT FY23-24	100620	51300	$204.96
						CHECK TOTAL	**$392.17**
10728	12/27/2023	NICHOLS CONSULTING ENGINEERS, CHTD		AREA 3 RES/COLL & CURB RAMP DESIGN - THRU 12/01/23	301610	56101	$35,532.62
						CHECK TOTAL	**$35,532.62**
10729	12/27/2023	NINYO & MOORE INC		GEOTECHNICAL INVESTIGATION FOR 3000 BLOCK OF DBB	100615	54430	$926.25
	12/27/2023	NINYO & MOORE INC		PR2023-1983 / 900 N DIAMOND BAR BLVD- GEOTECH SVCS	100	22109	$866.25
	12/27/2023	NINYO & MOORE INC		PR2023-1983 / 900 N DIAMOND BAR BLVD- GEOTECH SVCS	100	22109	$2,983.75

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CHECK #	CHECK DATE	VENDOR NAME	OTP VENDOR NAME	INVOICE DESCRIPTION	ORG	OBJECT	AMOUNT
	12/27/2023	NINYO & MOORE INC		PR2023-1983 / 900 N DIAMOND BAR BLVD- GEOTECH SVCS	100	22109	$1,935.00
						CHECK TOTAL	**$6,711.25**
10730	12/27/2023	NORTH AMERICAN YOUTH ACTIVITIES LLC		CONTRACT CLASS INSTRUCTOR-YOUTH SOCCER	100520	55320	$1,125.00
						CHECK TOTAL	**$1,125.00**
10731	12/27/2023	ONE TIME PAY VENDOR	ANNETTE WOODSON	RECREATION REFUND	100	20202	$20.00
						CHECK TOTAL	**$20.00**
10732	12/27/2023	ONE TIME PAY VENDOR	BILLY FERMIN	FACILITY DEPOSIT REFUND	100	20202	$100.00
						CHECK TOTAL	**$100.00**
10733	12/27/2023	ONE TIME PAY VENDOR	DR. SAMIR BATNIJI	FACILITY REFUND	100	20202	$500.00
						CHECK TOTAL	**$500.00**
10734	12/27/2023	ONE TIME PAY VENDOR	GLORIA BAHENA	FACILITY REFUND	100	20202	$500.00
						CHECK TOTAL	**$500.00**
10735	12/27/2023	ONE TIME PAY VENDOR	KATHRYN COUGHENOUR	FACILITY REFUND	100	20202	$500.00
						CHECK TOTAL	**$500.00**
10736	12/27/2023	ONE TIME PAY VENDOR	KELLER WILLIAMS SIGNATURE REALTY	FACILITY REFUND	100	20202	$1,249.64
						CHECK TOTAL	**$1,249.64**
10737	12/27/2023	ONE TIME PAY VENDOR	LETICIA CERVANTEZ	FACILITY DEPOSIT REFUND	100	20202	$100.00
						CHECK TOTAL	**$100.00**
10738	12/27/2023	ONE TIME PAY VENDOR	LINET MENESES	FACILITY REFUND	100	20202	$901.50
						CHECK TOTAL	**$901.50**
10739	12/27/2023	ONE TIME PAY VENDOR	MARIANO BORBON	RECREATION PROGRAM REFUND	100	20202	$40.00
						CHECK TOTAL	**$40.00**
10740	12/27/2023	ONE TIME PAY VENDOR	MIN JO	FACILITY REFUND	100	20202	$200.00
						CHECK TOTAL	**$200.00**
10741	12/27/2023	ONE TIME PAY VENDOR	ORALIA MACIAS	FACILITY REFUND	100	20202	$200.00
						CHECK TOTAL	**$200.00**
10742	12/27/2023	ONE TIME PAY VENDOR	WALNUT VALLEY	FACILITY REFUND	100	20202	$750.00

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CHECK #	CHECK DATE	VENDOR NAME	OTP VENDOR NAME	INVOICE DESCRIPTION	ORG	OBJECT	AMOUNT
			EDUCATION FOUNDATION				
						CHECK TOTAL	**$750.00**
10743	12/27/2023	ONE TIME PAY VENDOR	AMY HAUG	REIMB-HOLIDAY LUNCHEON	100220	52520	$197.31
						CHECK TOTAL	**$197.31**
10744	12/27/2023	ONE TIME PAY VENDOR	SUPER DIAMOND AGE SENIOR CLUB	SENIOR CLUB INSURANCE REIMBURSEMENT	225440	54900	$1,027.03
						CHECK TOTAL	**$1,027.03**
10745	12/27/2023	ONE TIME PAY VENDOR - CND REFUND	EDDIE W NG	PR2023-0001871/232 N PINTADO DR	100	22105	$250.00
						CHECK TOTAL	**$250.00**
10746	12/27/2023	PAPER RECYCLING & SHREDDING		PAPER SHREDDING – DEC 2023	250170	55000	$105.00
						CHECK TOTAL	**$105.00**
10747	12/27/2023	PHOTO ART INDUSTRIES		PHOTO FOR OUTGOING MAYOR	100110	52130	$268.30
						CHECK TOTAL	**$268.30**
10748	12/27/2023	REGIONAL TAP SERVICE CENTER		FOOTHILL PASSES - NOVEMBER 2023	206650	55610	$169.86
	12/27/2023	REGIONAL TAP SERVICE CENTER		FOOTHILL PASSES - NOVEMBER 2023	206650	55620	$679.44
						CHECK TOTAL	**$849.30**
10749	12/27/2023	REGISTRAR-RECORDER/COUNTY CLERK		ELECTRONIC RECORDING	100140	54900	$20.00
						CHECK TOTAL	**$20.00**
10750	12/27/2023	REINBERGER CORPORATION		BUSINESS CARD	100140	52110	$86.51
	12/27/2023	REINBERGER CORPORATION		BUSINESS CARDS FOR COUNCIL MEMBERS	100140	52110	$423.77
						CHECK TOTAL	**$510.28**
10751	12/27/2023	RKA CONSULTING GROUP		BUILDING AND SAFETY SERVICES OCTOBER 2023	100420	55100	$46,280.08
						CHECK TOTAL	**$46,280.08**
10752	12/27/2023	SIMPSON ADVERTISING INC		TRAFFIC DETOUR MAP	100240	54900	$595.00
	12/27/2023	SIMPSON ADVERTISING INC		DBC 20TH ANNIVERSARY LOGO	100520	54900	$695.00
	12/27/2023	SIMPSON ADVERTISING INC		LAYOUT AND DESIGN OF JAN 2024 CITY NEWSLETTER	100240	54900	$1,575.00

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CHECK #	CHECK DATE	VENDOR NAME	OTP VENDOR NAME	INVOICE DESCRIPTION	ORG	OBJECT	AMOUNT
						CHECK TOTAL	**$2,865.00**
10753	12/27/2023	SO COAST AIR QUALITY MGT DISTRICT		FACILITY LEASE IN JAN. 2024	100130	52302	$2,688.58
						CHECK TOTAL	**$2,688.58**
10754	12/27/2023	SOCIAL VOCATIONAL SERVICES		LITTER AND WEED REMOVAL (RIGHT OF WAY-NOV) FY23-24	100645	55528	$3,113.00
						CHECK TOTAL	**$3,113.00**
10755	12/27/2023	SSN & S INC		VEHICLE MAINT (LIC#1479429) FY23-24	502430	52312	$211.91
						CHECK TOTAL	**$211.91**
10756	12/27/2023	SWRCB ACCOUNTING OFFICE		FY23-24 NPDES ANNUAL PERMIT FEE (MS4)	201610	54200	$20,085.00
						CHECK TOTAL	**$20,085.00**
10757	12/27/2023	THE GAS COMPANY		CITYHALL (111023-121123) FY23-24	100620	52215	$15.29
	12/27/2023	THE GAS COMPANY		HERITAGE PARK (111323-121223) FY23-24	100630	52215	$205.23
	12/27/2023	THE GAS COMPANY		DIAMOND BAR CENTER (111423-121323) FY23-24	100510	52215	$1,820.99
						CHECK TOTAL	**$2,041.51**
10758	12/27/2023	TORTI GALLAS AND PARTNERS INC		TOWN CENTER SPECIFIC PLAN NOVEMBER 2023	103410	54900	$32,154.75
						CHECK TOTAL	**$32,154.75**
10759	12/27/2023	TRIANGLE SPORTS INC		YOUTH BASKETBALL JERSEYS	100520	51200	$3,322.11
						CHECK TOTAL	**$3,322.11**
10760	12/27/2023	TRIFYTT SPORTS LLC		CONTRACT CLASS INSTRUCTOR-YOUTH SPORTS	100520	55320	$1,642.80
						CHECK TOTAL	**$1,642.80**
10761	12/27/2023	ULINE INC		BEV CNT GRT/ 23300 GOLDEN SPRINGS DR	254180	56116	$1,954.25
						CHECK TOTAL	**$1,954.25**
10762	12/27/2023	ULINE INC		DIAMOND BAR CENTER SUPPLIES	100510	51200	$42.67
						CHECK TOTAL	**$42.67**
10763	12/27/2023	UNITED SITE SERVICES OF CALIFORNIA INC		RESTROOM RENTALS FOR WINTER SNOW FEST	100520	55300	$1,505.63
						CHECK TOTAL	**$1,505.63**

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CHECK #	CHECK DATE	VENDOR NAME	OTP VENDOR NAME	INVOICE DESCRIPTION	ORG	OBJECT	AMOUNT
10764	12/27/2023	WALNUT VALLEY WATER DISTRICT		WVWD (CITYHALLW 110123-113023) NOV FY23-24	100620	52220	$908.62
	12/27/2023	WALNUT VALLEY WATER DISTRICT		WVWD (D38W 110123-113023) NOV FY23-24	238638	52220	$11,258.70
	12/27/2023	WALNUT VALLEY WATER DISTRICT		WVWD (D38RW 110123-113023) NOV FY23-24	238638	52220	$1,795.03
	12/27/2023	WALNUT VALLEY WATER DISTRICT		WVWD (D39W 110123-113023) NOV FY23-24	239639	52220	$7,640.88
	12/27/2023	WALNUT VALLEY WATER DISTRICT		WVWD (D41W 110123-113023) OCT FY23-24	241641	52220	$6,825.96
	12/27/2023	WALNUT VALLEY WATER DISTRICT		WVWD (DBCW 110123-113023) NOV FY23-24	100510	52220	$477.16
	12/27/2023	WALNUT VALLEY WATER DISTRICT		WVWD (PARKSW 110123-113023) NOV FY23-24	100630	52220	$21,898.55
	12/27/2023	WALNUT VALLEY WATER DISTRICT		WVWD (PARKSRW 110123-113023) NOV FY23-24	100630	52220	$1,218.95
						CHECK TOTAL	**$52,023.85**
10765	12/27/2023	WANSEO CHUNG		INSTRUCTOR PAYMENT - YOGA - FALL 23	100520	55320	$504.00
						CHECK TOTAL	**$504.00**
10766	12/27/2023	YUNEX LLC		CIP TM23201 BBS&CCTV PRJ	301610	56102	$865,720.00
	12/27/2023	YUNEX LLC		TS MAINT - REPAIR - DBB/SPROUTS	207650	55536	$1,111.02
	12/27/2023	YUNEX LLC		TS MAINTENANCE - SEPT 2023	207650	55536	$5,540.00
	12/27/2023	YUNEX LLC		TS MAINT/CALL-OUTS - SEPT 2023	207650	55536	$5,226.58
	12/27/2023	YUNEX LLC		TS MAINT REPAIR - SUNSET XING/GOLDEN SPRINGS	207650	55536	$7,187.02
	12/27/2023	YUNEX LLC		TS MAINT REPAIR - GLDN SPRGS/PROSPECTORS	207650	55536	$4,968.56
	12/27/2023	YUNEX LLC		TS MAINT REPAIR - GLDN SPRGS/LEMON	207650	55536	$3,802.73
						CHECK TOTAL	**$893,555.91**
10767	1/2/2024	AMERICOMP TONER & REPAIR LLC		PRINTER MAINTENANCE - PAPER TRAY AND TONER	100230	51200	$317.99
						CHECK TOTAL	**$317.99**
10768	1/2/2024	BONTERRA PSOMAS		MITIGATION MONITORING-TRACT53670 10/28/22-3/30/23	100	22107	$3,147.53
						CHECK TOTAL	**$3,147.53**

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10769	1/2/2024	COLLEY AUTO CARS INC		VEHICLE MAINT (LIC#1407074) FY23-24	502655	52312	$199.00
						CHECK TOTAL	**$199.00**
10770	1/2/2024	DAPEER ROSENBLIT & LITVAK LLP		CODE ENF CITY PROSECUTOR OCTOBER 2023	100120	54024	$4,881.20
						CHECK TOTAL	**$4,881.20**
10771	1/2/2024	EXTERIOR PRODUCTS CORP		MAINTENANCE OPERATING SUPPLIES	100630	52320	$577.50
	1/2/2024	EXTERIOR PRODUCTS CORP		MAINTENANCE OPERATING SUPPLIES	100620	52320	$684.87
						CHECK TOTAL	**$1,262.37**
10772	1/2/2024	FEDERAL EXPRESS CORPORATION		FEES FOR OVERNIGHT CHECK DELIVERY	100510	51200	$43.52
						CHECK TOTAL	**$43.52**
10773	1/2/2024	FRONTIER COMMUNICATIONS CORP		SUMMARY BILL - INTERNET/CITY HALL - DEC 2023	100230	54030	$775.00
						CHECK TOTAL	**$775.00**
10774	1/2/2024	GATEWAY CORP CENTER ASSOC		ASSOC DUES (JAN 2024) FY23-24	100620	52400	$2,615.19
						CHECK TOTAL	**$2,615.19**
10775	1/2/2024	GO LIVE TECHNOLOGY INC		PS/PROJECT MGMT - SOLAR APP - NOV 2023	503230	56135	$360.00
						CHECK TOTAL	**$360.00**
10776	1/2/2024	GOVCONNECTION INC		ANNUAL RENEWAL - VERITAS	100230	52314	$6,820.00
	1/2/2024	GOVCONNECTION INC		IPAD FOR NEW CITY STAFF	100230	56100	$873.98
						CHECK TOTAL	**$7,693.98**
10777	1/2/2024	HINDERLITER DE LLAMAS & ASSOCIATES		CONTRACT SVCS - SALES TAX OCT-DEC 2023	100210	54900	$181.37
	1/2/2024	HINDERLITER DE LLAMAS & ASSOCIATES		CONTRACT SVCS - SALES TAX OCT-DEC 2023	100210	54010	$900.00
						CHECK TOTAL	**$1,081.37**
10778	1/2/2024	LA COUNTY ASSESSOR OFFICE		SBF ABSTRACT - NOV 2023	100230	52314	$50.00
						CHECK TOTAL	**$50.00**
10779	1/2/2024	LOS ANGELES COUNTY PUBLIC WORKS		SUMP PUMP MAINT(SYCAMORECYNPARK 100123-110923)FY23	100630	52320	$4,495.21
						CHECK TOTAL	**$4,495.21**

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10780	1/2/2024	MOBILE RELAY ASSOCIATES INC		REPEATER SERVICES FOR EMERGENCY PREPARDNESS IN JAN	100350	52300	$78.75
						CHECK TOTAL	**$78.75**
10781	1/2/2024	NETWORK PARATRANSIT SYSTEMS INC		FY2023-24 DIAMOND RIDE SR TRANSP. - NOV 2023	206650	55560	$19,520.75
						CHECK TOTAL	**$19,520.75**
10782	1/2/2024	PRINTING & MAILING SERVICES INC		PRINTING AND BINDING OF CITY'S 2024 CALENDAR	100240	52110	$7,074.27
						CHECK TOTAL	**$7,074.27**
10783	1/2/2024	PUBLIC STORAGE #23051		PARKS AND RECREATION OFF SITE STORAGE UNITS	100520	52302	$798.00
	1/2/2024	PUBLIC STORAGE #23051		PARKS AND RECREATION OFF SITE STORAGE UNITS	100520	52302	$836.00
						CHECK TOTAL	**$1,634.00**
10784	1/2/2024	SC FUELS		FLEET VEHICLE FUEL (120123-121523) FY23-24	502430	52312	$47.99
	1/2/2024	SC FUELS		FLEET VEHICLE FUEL (120123-121523) FY23-24	502130	52312	$66.28
	1/2/2024	SC FUELS		FLEET VEHICLE FUEL (120123-121523) FY23-24	502620	52312	$330.16
	1/2/2024	SC FUELS		FLEET VEHICLE FUEL (120123-121523) FY23-24	502655	52312	$650.02
	1/2/2024	SC FUELS		FLEET VEHICLE FUEL (120123-121523) FY23-24	502630	52312	$764.21
						CHECK TOTAL	**$1,858.66**
10785	1/2/2024	SPECTRUM BUSINESS		CABLE TV - DBC - DEC 2023	100230	54030	$127.15
						CHECK TOTAL	**$127.15**
10786	1/2/2024	THE COMDYN GROUP INC		GIS SUPPORT - 11/18/23-12/15/23	100230	54900	$3,971.50
						CHECK TOTAL	**$3,971.50**
10787	1/2/2024	THE SAN GABRIEL VALLEY NEWSPAPER GR		LEGAL AD - LLAD #38 - RESO 2023-21	238638	52160	$1,466.83
	1/2/2024	THE SAN GABRIEL VALLEY NEWSPAPER GR		LEGAL AD - LLAD #39 - RESO 2023-22	239639	52160	$2,551.85
						CHECK TOTAL	**$4,018.68**
10788	1/2/2024	THE SAN GABRIEL VALLEY NEWSPAPER GR		LEGAL AD - LLAD #41 - RESO 2023-23	241641	52160	$1,573.79

City of Diamond Bar Check Register

CHECK #	CHECK DATE	VENDOR NAME	OTP VENDOR NAME	INVOICE DESCRIPTION	ORG	OBJECT	AMOUNT
						CHECK TOTAL	**$1,573.79**
10789	1/2/2024	UNITED RECORDS MANAGEMENT INC		OFF-SITE STORAGE - BACK-UP TAPES - NOV 2023	100230	55000	$594.00
						CHECK TOTAL	**$594.00**
10790	1/2/2024	WAXIE SANITARY SUPPLY		JANITORIAL SUPPLIES (DBC) FY23-24	100510	51210	($77.01)
	1/2/2024	WAXIE SANITARY SUPPLY		JANITORIAL SUPPLIES (PARKS) FY23-24	100630	51200	$184.04
	1/2/2024	WAXIE SANITARY SUPPLY		JANITORIAL SUPPLIES	100510	51210	$865.79
						CHECK TOTAL	**$972.82**
10791	1/2/2024	WEST COAST ARBORISTS INC		TREE MAINT D41 (111623-113023) FY23-24	241641	55522	$7,210.35
						CHECK TOTAL	**$7,210.35**
10792	1/2/2024	WISCONSIN QUICK LUBE INC		VEHICLE MAINTENANCE (LIC#1479428) FY23-24	502430	52312	$143.44
						CHECK TOTAL	**$143.44**
10793	1/2/2024	WOODRUFF & SMART, A PROFESSIONAL CORPORATION		LEGAL SVCS - NOVEMBER 2023	100120	54020	$1,716.00
	1/2/2024	WOODRUFF & SMART, A PROFESSIONAL CORPORATION		LEGAL SERVICES - NOVEMBER 2023	100120	54020	$11,061.60
	1/2/2024	WOODRUFF & SMART, A PROFESSIONAL CORPORATION		LEGAL SERVICES - NOVEMBER 2023	100120	54020	$79.20
	1/2/2024	WOODRUFF & SMART, A PROFESSIONAL CORPORATION		LEGAL SERVICES - NOVEMBER 2023	100120	54020	$211.20
	1/2/2024	WOODRUFF & SMART, A PROFESSIONAL CORPORATION		LEGAL SERVICES - NOVEMBER 2023	100120	54020	$1,029.60
	1/2/2024	WOODRUFF & SMART, A PROFESSIONAL CORPORATION		LEGAL SERVICES - NOVEMBER 2023	100120	54020	$26.40
	1/2/2024	WOODRUFF & SMART, A PROFESSIONAL CORPORATION		LEGAL SERVICES - NOVEMBER 2023	100120	54020	$580.80
						CHECK TOTAL	**$14,704.80**
10805	1/2/2024	ABOUND FOOD CARE		FISCAL YEAR 23-24 FOOD RECOVERY SERVICES	250170	54900	$1,632.25
						CHECK TOTAL	**$1,632.25**
10806	1/2/2024	LINGO TELECOM LLC		CITYWIDE ANALOG PHONE SYSTEM - DEC 2023	100230	52200	$2,310.48
						CHECK TOTAL	**$2,310.48**

City of Diamond Bar Check Register

CHECK #	CHECK DATE	VENDOR NAME	OTP VENDOR NAME	INVOICE DESCRIPTION	ORG	OBJECT	AMOUNT
10807	1/2/2024	DIAMOND BAR WOMAN'S CLUB		FY 23/24 9TH ANNUAL CASINO NIGHT - TABLE FOR 10	101110	52600	$1,000.00
						CHECK TOTAL	**$1,000.00**
10808	1/2/2024	RETAIL MARKETING SERVICES INC		NOV 2023 CART SERVICES	250170	55000	$45.00
						CHECK TOTAL	**$45.00**
10809	1/2/2024	TYLER TECHNOLOGIES INC		COMPUTER SOFTWARE - ELM PROJECT - 11/7/23-11/9/23	503230	56135	$6,200.00
						CHECK TOTAL	**$6,200.00**
10810	1/2/2024	ULINE INC		BEV CNT GRT/ 1174 FLINTLOCK RD	253180	51300	$48.47
						CHECK TOTAL	**$48.47**
10811	1/2/2024	VERIZON WIRELESS		WIRELESS PHONE SERVICE - 11/17/23 - 12/16/23	100230	52200	$2,095.93
						CHECK TOTAL	**$2,095.93**
10812	1/2/2024	VERMONT SYSTEMS INC		WEBTRAC INTERFACE - INITIAL SET-UP MEETING	100230	52314	$175.00
						CHECK TOTAL	**$175.00**
						GRAND TOTAL	**$2,364,013.03**

Agenda #: *5.3*
Meeting Date: *January 16, 2024*

CITY OF DIAMOND BAR INCORPORATED 1989

CITY COUNCIL AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Daniel Fox, City Manager

TITLE: **TREASURER'S STATEMENT**

STRATEGIC GOAL: *Responsible Stewardship of Public Resources*

RECOMMENDATION:

Approve the December 2023 Treasurer's Statement.

FINANCIAL IMPACT:

None.

BACKGROUND/DISCUSSION:

Consistent with City policy, the Finance Department presents the monthly Treasurer's Statement to the City Council for review and approval. This statement shows the cash balances with a breakdown of various investment accounts and the yield to maturity from investments. This statement also includes an investment portfolio management report which details the activities of investments. All investments have been made in accordance with the City's Investment Policy.

PREPARED BY:

Jason Jacobsen

Jason Jacobsen, Finance Director 1/16/2024

REVIEWED BY:

Attachments:
1. 5.3.a Treasurer's Cash Report - Dec 2023
2. 5.3.b Treasurer's Portfolio & Certification - Dec 2023_FINAL

CITY OF DIAMOND BAR - CITY TREASURER'S REPORT
AS OF DECEMBER 31, 2023

CASH & INVESTMENT BALANCES

Cash Funds			
General Account	$2,862,762.44		
Payroll Account	$0.00		
Change Fund - General Fund	$600.00		
Petty Cash Account	$500.00		
Cash With Fiscal Agent (US Bank 2021 Bonds)	$1,519.92		
Total Cash Funds			**$2,865,382.36**
City & LAIF Invested Funds (Book Value):			
Local Agency Investment Fund	$2,452,433.53		
City-Managed Fixed-Income Securities (0-5 year maturity)	$66,364,969.18		
Total Investment Funds (Book Value)			**$68,817,402.71**
Fiscal Year-To-Date Effective Rate of Return (City Funds & LAIF)	3.70%	(6 months)	
Fiscal YTD Interest Earnings (City Funds & LAIF)	$1,287,081.95	(6 months)	
FY 2023-24 Budgeted Investment Earnings (City Funds & LAIF)	$987,450.00	(12 months)	
Invested Funds With OPEB Trust (Managed by CalPERS/State Street)			**$771,350.08**
Historical rate of return as of 9/30/2023 (since 2016, 7.25 yrs)	1.51%		
OPEB Trust Fiscal Year-To-Date Unrealized Gain/(Loss)	$37,913.63	(6 months)	
GRAND TOTAL - CASH & INVESTMENTS			**$72,454,135.15**

CITY OF DIAMOND BAR
INVESTMENT PORTFOLIO SUMMARY REPORT
December 31, 2023

INVESTMENTS	BOOK VALUE	PERCENT OF PORTFOLIO	TERM	DAYS TO MATURITY	YIELD TO MATURITY
Federal Credit Union CD	$10,674,000.00	15.51%	1,381	1,029	4.099%
Local Agency Investment Fund	$2,452,433.53	3.56%	1	1	3.843%
Corporate Notes	$453,817.57	0.66%	1,638	1,268	5.000%
Federal Agency Coupon Securities	$12,980,442.56	18.86%	1,082	606	3.961%
Federal Agency Discount-Amortizing	$1,989,557.78	2.89%	92	36	5.406%
Treasury Coupon Securities	$11,964,479.02	17.39%	1,116	517	2.664%
Federal Agency Callable	$9,498,885.11	13.80%	1,528	365	2.561%
Certificates of Deposit-Banks	$3,958,877.40	5.75%	1,523	613	2.146%
Municipal Bonds	$2,023,126.80	2.94%	1,565	986	3.673%
Money Market Fund	$12,821,782.94	18.63%	1	1	5.300%
Total Investments and Averages	**$68,817,402.71**	**100.00%**	**971**	**488**	**3.745%**

	MONTH ENDING December 31, 2023	FISCAL YEAR-TO-DATE 2023-2024
TOTAL INTEREST EARNED	**$215,576.23**	**$1,287,081.95**

Daniel Fox
Digitally signed by Daniel Fox
DN: cn=Daniel Fox, o, ou, email=dfox@diamondbarca.gov, c=US
Date: 2024.01.11 08:26:11 -08'00'

Daniel Fox
City Treasurer

I certify that this report accurately reflects all City pooled investments and is in conformity with the investment policy of the City of Diamond Bar approved by City Council and on file in the City Clerk's office. The investment program herein provides sufficient cash flow liquidity to meet the next six months estimated expenditures.

City of Diamond Bar
Portfolio Management
Portfolio Summary
December 31, 2023

City of Diamond Bar
21810 Copley Drive
Diamond Bar, CA
(909)839-7053

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C
Federal Credit Union CD	10,674,000.00	10,608,725.46	10,674,000.00	15.51	1,381	1,029	4.099
Local Agency Investment Funds	2,452,433.53	2,415,226.43	2,452,433.53	3.56	1	1	3.843
Corporate Notes	500,000.00	453,817.57	453,817.57	0.66	1,638	1,268	5.000
Federal Agency Coupon Securities	13,000,000.00	12,976,212.61	12,980,442.56	18.86	1,082	606	3.961
Federal Agency Disc. -Amortizing	2,000,000.00	1,989,557.78	1,989,557.78	2.89	92	36	5.406
Treasury Coupon Securities	12,000,000.00	11,765,746.88	11,964,479.02	17.39	1,116	517	2.664
Federal Agency Callable	9,500,000.00	9,136,023.00	9,498,885.11	13.80	1,528	365	2.561
Certificate of Deposit	3,959,000.00	3,816,601.64	3,958,877.40	5.75	1,523	613	2.146
Municipal Bonds	2,145,000.00	1,988,430.65	2,023,126.80	2.94	1,565	986	3.676
Money Market Fund	12,821,782.94	12,821,782.94	12,821,782.94	18.63	1	1	5.300
Investments	**69,052,216.47**	**67,972,124.96**	**68,817,402.71**	**100.00%**	**971**	**488**	**3.745**

Total Earnings	December 31 Month Ending	Fiscal Year To Date
Current Year	215,576.23	1,287,081.95
Average Daily Balance	**68,220,890.39**	**69,066,671.74**
Effective Rate of Return	**3.72%**	**3.70%**

01/11/2024

Jason M. Jacobsen, Finance Director

Reporting period 12/01/2023-12/31/2023

Run Date: 01/11/2024 - 07:37

Portfolio POOL
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City of Diamond Bar
Portfolio Management
Portfolio Details - Investments
December 31, 2023

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM/C	Maturity Date
Federal Credit Union CD												
03784JTK0	10443	Apple Bank For Savings		07/22/2022	248,000.00	248,000.00	248,000.00	3.200	731	203	3.200	07/22/2024
07181JAG9	10444	Baxter Credit Union		07/22/2022	248,000.00	248,000.00	248,000.00	3.150	731	203	3.150	07/22/2024
917352AA4	10454	Utah Community Fed Cr Union		07/27/2022	248,000.00	248,000.00	248,000.00	3.150	730	207	3.150	07/26/2024
00224TAL0	10528	A+ FEDERAL CU		01/27/2023	249,000.00	249,000.00	249,000.00	4.700	731	392	4.700	01/27/2025
02589ACS9	10419	American Express Bank		05/18/2022	246,000.00	244,052.66	246,000.00	3.100	1,097	504	3.100	05/19/2025
90352RCM5	10424	US ALLIANCE FED CREDIT UNION		05/31/2022	249,000.00	246,987.08	249,000.00	3.100	1,095	515	3.100	05/30/2025
130162BL3	10621	CALIFORNIA CREDIT UNION		12/28/2023	243,000.00	243,000.00	243,000.00	5.100	550	546	5.100	06/30/2025
795451BQ5	10461	Sallie Mae Bank		07/06/2022	248,000.00	248,000.00	248,000.00	3.400	1,097	553	3.400	07/07/2025
37424PAG9	10570	GESA CREDIT UNION		07/31/2023	248,000.00	248,000.00	248,000.00	5.500	731	577	5.500	07/31/2025
20825WBC3	10474	Connexus CU		08/26/2022	248,000.00	248,000.00	248,000.00	3.500	1,096	603	3.500	08/26/2025
90353EBC6	10550	USF FCU		03/15/2023	249,000.00	249,000.00	249,000.00	5.050	915	623	5.050	09/15/2025
914242AA0	10492	UNIVERSITY CREDIT UNION		09/26/2022	249,000.00	249,000.00	249,000.00	4.000	1,096	634	4.000	09/26/2025
16863LAE5	10502	CHIEF FINANCIAL FCU		10/12/2022	249,000.00	249,000.00	249,000.00	4.600	1,098	652	4.600	10/14/2025
92348DAA7	10500	VERIDIAN CU		10/24/2022	249,000.00	249,000.00	249,000.00	4.500	1,096	662	4.500	10/24/2025
20367GBD0	10440	Community Commerce Bank		07/27/2022	248,000.00	248,000.00	248,000.00	3.050	1,280	757	3.050	01/27/2026
530520AC9	10530	LIBERTY FIRST CU		01/27/2023	249,000.00	249,000.00	249,000.00	4.500	1,096	757	4.500	01/27/2026
19123RAA0	10529	COCA-COLA FCU		01/31/2023	249,000.00	249,000.00	249,000.00	4.600	1,098	763	4.600	02/02/2026
39573LAV0	10255	GREENSTATE CREDIT UNION		02/26/2021	248,000.00	224,875.74	248,000.00	0.650	1,826	787	0.650	02/26/2026
59524LAA4	10549	MID CAROLINA CU		03/13/2023	249,000.00	249,000.00	249,000.00	4.850	1,096	802	4.850	03/13/2026
87868YAL7	10551	TECHNOLOGY CU		03/23/2023	249,000.00	249,000.00	249,000.00	5.000	1,096	812	5.000	03/23/2026
722000AC0	10575	PIMA FEDERAL CREDIT		08/17/2023	248,000.00	248,000.00	248,000.00	5.300	1,096	959	5.300	08/17/2026
42228LAH4	10496	HEALTHCARE SYSTEMS FCU		09/21/2022	249,000.00	249,000.00	249,000.00	3.600	1,461	994	3.600	09/21/2026
91823MBE4	10499	VCC BANK		10/14/2022	249,000.00	249,000.00	249,000.00	4.250	1,461	1,017	4.250	10/14/2026
50625LBR3	10606	LAFAYETTE FCU		11/30/2023	248,000.00	248,000.00	248,000.00	5.250	1,096	1,064	5.250	11/30/2026
06251A3K4	10402	America's Credit Union		12/16/2021	248,000.00	227,139.23	248,000.00	1.350	1,826	1,080	1.350	12/16/2026
58404DUA7	10622	Medallion Bank		12/29/2023	248,000.00	248,000.00	248,000.00	4.500	1,096	1,093	4.500	12/29/2026
856285E98	10410	State Bank of India		01/31/2022	248,000.00	230,670.75	248,000.00	1.750	1,827	1,127	1.750	02/01/2027
89235MNT4	10442	Toyota Financial SGS Bank		07/22/2022	248,000.00	248,000.00	248,000.00	3.400	1,826	1,298	3.400	07/22/2027
14042THZ3	10453	Capital One Bank USA		07/27/2022	248,000.00	248,000.00	248,000.00	3.500	1,826	1,303	3.500	07/27/2027
55026MAE5	10487	LUMINATE BANK		09/15/2022	249,000.00	249,000.00	249,000.00	3.400	1,826	1,353	3.400	09/15/2027
052392BT3	10495	AUSTIN TELCO FCU		09/21/2022	249,000.00	249,000.00	249,000.00	3.800	1,826	1,359	3.800	09/21/2027
472207AE9	10491	JEANNE D'ARC CREDIT UNION		09/30/2022	249,000.00	249,000.00	249,000.00	3.800	1,826	1,368	3.800	09/30/2027
06543PDA0	10494	BANK OF THE VALLEY NE		09/30/2022	249,000.00	249,000.00	249,000.00	4.100	1,826	1,368	4.100	09/30/2027
011852AE0	10547	Alaska USA FCU		03/08/2023	249,000.00	249,000.00	249,000.00	4.600	1,827	1,528	4.600	03/08/2028
89854LAD5	10564	TTCU FED CU		07/26/2023	248,000.00	248,000.00	248,000.00	5.000	1,827	1,668	5.000	07/26/2028
534574AC2	10571	LINCOLN PARK COMMUNITY BANK		08/28/2023	248,000.00	248,000.00	248,000.00	5.000	1,827	1,701	5.000	08/28/2028
72221MAA1	10578	PINAL COUNTY FED CU		09/08/2023	248,000.00	248,000.00	248,000.00	5.700	1,827	1,712	5.700	09/08/2028
291916AG9	10596	Empower FED Credit Union		10/23/2023	248,000.00	248,000.00	248,000.00	5.100	1,827	1,757	5.100	10/23/2028

City of Diamond Bar
Portfolio Management
Portfolio Details - Investments
December 31, 2023

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM/C	Maturity Date
Federal Credit Union CD												
91739JAD7	10589	UTAH FIRST CD		10/30/2023	248,000.00	248,000.00	248,000.00	5.100	1,827	1,764	5.100	10/30/2028
98138MCA6	10590	WORKERS FCU		10/30/2023	248,000.00	248,000.00	248,000.00	5.200	1,827	1,764	5.200	10/30/2028
89839KAD7	10604	TRUSTSTAR BANK		11/22/2023	248,000.00	248,000.00	248,000.00	4.750	1,827	1,787	4.750	11/22/2028
77357DAB4	10607	ROCKLAND FCU		11/30/2023	248,000.00	248,000.00	248,000.00	5.000	1,827	1,795	5.000	11/30/2028
949764JY1	10617	Wells Fargo		12/27/2023	248,000.00	248,000.00	248,000.00	4.100	1,827	1,822	4.100	12/27/2028
		Subtotal and Average	**10,014,354.84**		**10,674,000.00**	**10,608,725.46**	**10,674,000.00**		**1,381**	**1,029**	**4.099**	
Local Agency Investment Funds												
LAIF	10028	Local Agency Investment Fund			2,452,433.53	2,415,226.43	2,452,433.53	3.843	1	1	3.843	
		Subtotal and Average	**2,568,562.56**		**2,452,433.53**	**2,415,226.43**	**2,452,433.53**		**1**	**1**	**3.843**	
Corporate Notes												
06048WR36	10515	Bank of America Corp.		12/27/2022	500,000.00	453,817.57	453,817.57	2.000	1,638	1,268	5.000	06/22/2027
		Subtotal and Average	**453,299.55**		**500,000.00**	**453,817.57**	**453,817.57**		**1,638**	**1,268**	**5.000**	
Federal Agency Coupon Securities												
3130AV2E1	10534	Federal Home Loan Bank		02/22/2023	500,000.00	499,931.06	499,931.06	5.000	364	51	5.103	02/21/2024
3130ARHG9	10416	Federal Home Loan Bank		03/29/2022	2,000,000.00	1,974,200.00	1,999,326.59	2.125	701	58	2.344	02/28/2024
3133ENMZ0	10624	Federal Farm Credit Bank		12/21/2023	500,000.00	494,696.47	494,696.47	1.200	104	93	5.400	04/03/2024
3130ASDS5	10460	Federal Home Loan Bank		07/08/2022	1,000,000.00	998,342.18	998,342.18	2.750	721	179	3.099	06/28/2024
3130AT6G7	10483	Federal Home Loan Bank		09/22/2022	750,000.00	746,993.54	746,993.54	3.500	722	256	4.100	09/13/2024
3130ATVD6	10533	Federal Home Loan Bank		02/22/2023	750,000.00	749,082.29	749,082.29	4.875	569	256	5.058	09/13/2024
3133EPBH7	10543	Federal Farm Credit Bank		03/01/2023	500,000.00	498,983.66	498,983.66	4.750	723	417	4.939	02/21/2025
3133ENZG8	10458	Federal Farm Credit Bank		07/11/2022	500,000.00	501,381.69	501,381.69	3.375	1,075	536	3.176	06/20/2025
313373B68	10537	Federal Home Loan Bank		02/27/2023	500,000.00	497,513.44	497,513.44	4.375	1,110	802	4.619	03/13/2026
3130ASJ59	10447	Federal Home Loan Bank		07/18/2022	1,000,000.00	1,005,333.69	1,005,333.69	3.375	1,425	893	3.141	06/12/2026
3133EPQC2	10572	Federal Farm Credit Bank		08/02/2023	1,000,000.00	999,139.91	999,139.91	4.625	1,080	928	4.661	07/17/2026
45818WED4	10498	INTER-AMERICAN DEV. BANK		09/13/2022	500,000.00	491,340.79	491,340.79	2.980	1,731	1,256	3.902	06/10/2027
3130ASGU7	10432	Federal Home Loan Bank		06/16/2022	1,000,000.00	1,020,268.00	999,371.36	3.500	1,821	1,257	3.520	06/11/2027
3130AXMQ8	10588	Federal Home Loan Bank		10/30/2023	1,000,000.00	1,000,000.00	1,000,000.00	5.600	1,460	302	5.600	10/29/2027
3133EPCG8	10545	Federal Farm Credit Bank		03/01/2023	1,000,000.00	995,060.88	995,060.88	4.125	1,736	1,430	4.267	12/01/2027
3130AWMN7	10563	Federal Home Loan Bank		07/21/2023	500,000.00	503,945.01	503,945.01	4.375	1,785	1,621	4.177	06/09/2028
		Subtotal and Average	**13,192,794.82**		**13,000,000.00**	**12,976,212.61**	**12,980,442.56**		**1,082**	**606**	**3.961**	
Federal Agency Disc. -Amortizing												
313384RG6	10580	Federal Home Loan Bank		10/02/2023	1,000,000.00	999,852.78	999,852.78	5.300	92	1	5.447	01/02/2024
313384UE7	10610	Federal Home Loan Bank		12/11/2023	1,000,000.00	989,705.00	989,705.00	5.220	92	71	5.364	03/12/2024

City of Diamond Bar
Portfolio Management
Portfolio Details - Investments
December 31, 2023

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM/C	Maturity Date
		Subtotal and Average	**1,989,476.06**		**2,000,000.00**	**1,989,557.78**	**1,989,557.78**		**92**	**36**	**5.406**	
Treasury Coupon Securities												
912828WJ5	10417	U.S. Treasury		04/25/2022	2,000,000.00	1,983,672.00	1,998,427.10	2.500	751	135	2.720	05/15/2024
9128286Z8	10435	U.S. Treasury		06/14/2022	1,000,000.00	976,875.00	992,995.94	1.750	747	181	3.222	06/30/2024
912828Y87	10434	U.S. Treasury		06/08/2022	1,000,000.00	975,742.00	994,507.33	1.750	784	212	2.730	07/31/2024
91282CED9	10415	U.S. Treasury		03/22/2022	3,000,000.00	2,903,439.00	2,981,292.61	1.750	1,089	439	2.290	03/15/2025
91282CEU1	10459	U.S. Treasury		07/08/2022	1,000,000.00	997,564.29	997,564.29	2.875	1,073	531	3.051	06/15/2025
9128285C0	10456	U.S. Treasury		07/11/2022	1,000,000.00	997,374.42	997,374.42	3.000	1,177	638	3.158	09/30/2025
9128285J5	10445	U.S. Treasury		07/18/2022	1,000,000.00	997,824.08	997,824.08	3.000	1,201	669	3.125	10/31/2025
91282CDQ1	10403	U.S. Treasury		01/04/2022	1,000,000.00	925,664.00	996,901.16	1.250	1,822	1,095	1.357	12/31/2026
91282CEW7	10436	U.S. Treasury		07/14/2022	1,000,000.00	1,007,592.09	1,007,592.09	3.250	1,812	1,276	3.014	06/30/2027
		Subtotal and Average	**11,962,563.45**		**12,000,000.00**	**11,765,746.88**	**11,964,479.02**		**1,116**	**517**	**2.664**	
Federal Agency Callable												
3130ARYU9	10428	Federal Home Loan Bank		05/23/2022	1,000,000.00	994,442.00	1,000,000.00	3.000	641	53	3.000	02/23/2024
3134GXYM0	10433	Federal Home Loan Mtg Corp		06/28/2022	750,000.00	749,124.00	749,207.19	3.125	731	87	3.349	06/28/2024
3134GYE57	10527	Federal Home Loan Mtg Corp		01/26/2023	500,000.00	500,000.00	500,000.00	5.020	547	25	5.020	07/26/2024
3133EMVS8	10259	Federal Farm Credit Bank		04/14/2021	500,000.00	468,659.00	500,000.00	0.690	1,461	469	0.690	04/14/2025
3130AL7M0	10254	Federal Home Loan Bank		02/24/2021	500,000.00	460,993.50	499,677.92	0.625	1,826	54	0.676	02/24/2026
3133EMSH6	10258	Federal Farm Credit Bank		03/03/2021	500,000.00	463,515.50	500,000.00	0.790	1,826	792	0.790	03/03/2026
3133ENKG4	10397	Federal Farm Credit Bank		01/11/2022	1,000,000.00	933,642.00	1,000,000.00	1.470	1,826	10	1.470	01/11/2027
3133ENMA5	10405	Federal Farm Credit Bank		01/26/2022	1,500,000.00	1,417,582.50	1,500,000.00	1.840	1,826	1,121	1.840	01/26/2027
3130AQKJ1	10406	Federal Home Loan Bank		01/28/2022	1,500,000.00	1,398,064.50	1,500,000.00	1.700	1,826	27	1.700	01/28/2027
3133ENH52	10475	Federal Farm Credit Bank		08/23/2022	500,000.00	500,000.00	500,000.00	4.030	1,826	1,330	4.030	08/23/2027
3130AUDL5	10513	Federal Home Loan Bank		12/30/2022	750,000.00	750,000.00	750,000.00	4.550	1,826	364	4.550	12/30/2027
3134GYXY3	10566	Federal Home Loan Mtg Corp		07/31/2023	500,000.00	500,000.00	500,000.00	6.050	1,823	26	6.048	07/27/2028
		Subtotal and Average	**9,498,816.41**		**9,500,000.00**	**9,136,023.00**	**9,498,885.11**		**1,528**	**365**	**2.561**	
Certificate of Deposit												
246399AB5	10451	Deleware Police Fed Credit Uni		07/20/2022	246,000.00	245,877.40	245,877.40	3.000	618	88	3.210	03/29/2024
61760AZR3	10226	Morgan Stanley Bank		05/02/2019	246,000.00	243,893.01	246,000.00	2.750	1,827	122	2.753	05/02/2024
29278TKJ8	10230	EnerBank USA		08/07/2019	247,000.00	241,213.04	247,000.00	2.150	1,827	219	2.152	08/07/2024
75472RAE1	10233	Raymond James Bank NA		08/23/2019	247,000.00	240,310.01	247,000.00	2.000	1,827	235	2.002	08/23/2024
14042RRH6	10429	Capital One Bank		05/18/2022	248,000.00	246,036.83	248,000.00	3.100	1,097	504	3.100	05/19/2025
87165GR79	10430	Synchrony Bank		05/20/2022	248,000.00	246,033.11	248,000.00	3.100	1,096	505	3.100	05/20/2025
48128UDS5	10250	JP Morgan Chase		05/28/2020	248,000.00	231,727.23	248,000.00	1.000	1,826	148	1.001	05/28/2025
254673F68	10431	Discover Bank		06/01/2022	246,000.00	244,005.19	246,000.00	3.100	1,097	518	3.100	06/02/2025
59001PAS8	10457	Meritrust Fed CU		07/08/2022	248,000.00	248,000.00	248,000.00	3.350	1,096	554	3.350	07/08/2025
066519QK8	10256	BANK UNITED NA		03/05/2021	248,000.00	224,768.35	248,000.00	0.650	1,826	794	0.000	03/05/2026

City of Diamond Bar
Portfolio Management
Portfolio Details - Investments
December 31, 2023

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM/C	Maturity Date
Certificate of Deposit												
70320KAX9	10257	Pathfinder Bank		03/11/2021	249,000.00	225,981.94	249,000.00	0.700	1,826	800	0.000	03/11/2026
70962LBH4	10414	Pentagon Federal Credit Union		03/22/2022	248,000.00	234,447.30	248,000.00	1.800	1,462	812	1.800	03/23/2026
38149MZJ5	10260	Goldman Sachs Bank		09/08/2021	248,000.00	225,703.81	248,000.00	1.050	1,826	981	1.051	09/08/2026
90348JS92	10261	UBS Bank USA		09/09/2021	248,000.00	224,604.42	248,000.00	0.950	1,826	982	0.000	09/09/2026
23288UAA5	10555	Cy Fair FCU		05/19/2023	249,000.00	249,000.00	249,000.00	4.350	1,461	1,234	4.355	05/19/2027
88413QDM7	10455	Third Fed Savings & Loan		07/27/2022	245,000.00	245,000.00	245,000.00	3.400	1,826	1,303	3.402	07/27/2027
		Subtotal and Average	**3,958,856.50**		**3,959,000.00**	**3,816,601.64**	**3,958,877.40**		**1,523**	**613**	**2.146**	
Municipal Bonds												
13032UXL7	10252	CALIF STATE HLTH FACS AUTH		11/04/2020	200,000.00	189,923.60	200,000.00	0.752	1,305	152	0.752	06/01/2024
13077DMK5	10251	California St Univ Rev-Bond		09/17/2020	100,000.00	93,759.00	100,000.00	0.685	1,506	305	0.685	11/01/2024
13032UXM5	10253	CALIF STATE HLTH FACS AUTH		11/04/2020	250,000.00	231,621.25	250,000.00	0.952	1,670	517	0.952	06/01/2025
54438CYL0	10523	LOS ANGELES CA CMNTY CLG DIST		01/05/2023	365,000.00	334,716.10	334,716.10	1.174	1,304	943	4.700	08/01/2026
738850TA4	10522	POWAY UNIFIED SCHOOL DIST		01/04/2023	1,230,000.00	1,138,410.70	1,138,410.70	2.414	1,670	1,308	4.750	08/01/2027
		Subtotal and Average	**2,021,673.58**		**2,145,000.00**	**1,988,430.65**	**2,023,126.80**		**1,565**	**986**	**3.676**	
Wells Fargo Sweep Account												
SWEEP	10036	Wells Fargo		07/01/2012	0.00	0.00	0.00	0.010	1	1	0.010	
		Subtotal and Average	**0.00**		**0.00**	**0.00**	**0.00**		**0**	**0**	**0.000**	
Money Market Fund												
857492888	10562	State Street Advisors		05/31/2023	12,821,782.94	12,821,782.94	12,821,782.94	5.300	1	1	5.300	
52470G882	10561	Western Asset		05/25/2023	0.00	0.00	0.00	5.150	1	1	5.150	
		Subtotal and Average	**12,560,492.62**		**12,821,782.94**	**12,821,782.94**	**12,821,782.94**		**1**	**1**	**5.300**	
		Total and Average	**68,220,890.39**		**69,052,216.47**	**67,972,124.96**	**68,817,402.71**		**971**	**488**	**3.745**	

City of Diamond Bar
Portfolio Management
Portfolio Details - Cash
December 31, 2023

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM/C
		Average Balance	0.00						0	0	
		Total Cash and Investments	68,220,890.39		69,052,216.47	67,972,124.96	68,817,402.71		971	488	3.745

City of Diamond Bar
Portfolio Management
Activity By Type
December 1, 2023 through December 31, 2023

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Federal Credit Union CD							
130162BL3	10621	CALIFORNIA CREDIT UNION	5.100	12/28/2023	243,000.00	0.00	
58404DUA7	10622	Medallion Bank	4.500	12/29/2023	248,000.00	0.00	
949764JY1	10617	Wells Fargo	4.100	12/27/2023	248,000.00	0.00	
		Subtotal			**739,000.00**	**0.00**	**10,674,000.00**
Local Agency Investment Funds (Monthly Summary)							
LAIF	10028	Local Agency Investment Fund	3.843		0.00	300,000.00	
		Subtotal			**0.00**	**300,000.00**	**2,452,433.53**
Corporate Notes							
		Subtotal					**453,817.57**
Federal Agency Coupon Securities							
3133ENMZ0	10624	Federal Farm Credit Bank	1.200	12/21/2023	494,120.00	0.00	
3130A0F70	10573	Federal Home Loan Bank	3.375	12/08/2023	0.00	1,000,000.00 **	
3134GYMT6	10542	Federal Home Loan Mtg Corp	5.820	12/20/2023	0.00	500,000.00	
		Subtotal			**494,120.00**	**1,500,000.00**	**12,980,442.56**
Federal Agency Disc. -Amortizing							
313384QJ1	10576	Federal Home Loan Bank	5.260	12/11/2023	0.00	1,000,000.00 **	
313384UE7	10610	Federal Home Loan Bank	5.220	12/11/2023	986,660.00	0.00	
		Subtotal			**986,660.00**	**1,000,000.00**	**1,989,557.78**
Treasury Coupon Securities							
		Subtotal					**11,964,479.02**
Federal Agency Callable							
		Subtotal					**9,498,885.11**
Certificate of Deposit							
		Subtotal					**3,958,877.40**
Municipal Bonds							
		Subtotal					**2,023,126.80**
Wells Fargo Sweep Account							
		Subtotal					**0.00**

** - Indicates incomplete recording of maturity redemption.

City of Diamond Bar
Portfolio Management
Activity By Type
December 1, 2023 through December 31, 2023

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Money Market Fund							
857492888	10562	State Street Advisors	5.300		3,941,033.23	2,000,000.00	
		Subtotal			**3,941,033.23**	**2,000,000.00**	**12,821,782.94**
		Total			**6,160,813.23**	**4,800,000.00**	**68,817,402.71**

Agenda #: *5.4*
Meeting Date: *January 16, 2024*

CITY OF DIAMOND BAR INCORPORATED 1989

CITY COUNCIL AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Daniel Fox, City Manager

TITLE: **MASTER AGREEMENT ADMINISTERING AGENCY-STATE AGREEMENT ON STATE-FUNDED PROJECTS WITH THE STATE OF CALIFORNIA (CALTRANS), AND PROGRAM SUPPLEMENT AGREEMENT FOR INTERSECTION SAFETY IMPROVEMENTS PROJECT (CIP# TI24301) FUNDED UNDER THE HIGHWAY SAFETY IMPROVEMENT PROGRAM.**

STRATEGIC GOAL: *Safe, Sustainable & Healthy Community*

RECOMMENDATION:

A. Approve, and authorize the Public Works Director/City Engineer to sign, the Master Agreement Administering Agency-State Agreement No. 07-5455S21 and Program Supplement No. 00000A335 accepting $302,850 in grant funds from the Highway Safety Improvement Program (HSIP);

B. Adopt Resolution No. 2024-01 authorizing the Public Works Director/City Engineer to sign necessary documents in administering the HSIP Grant; and

C. Determine that the approval of the funding agreement is not subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Article 18, Section 15378(b)(4).

FINANCIAL IMPACT:

The State of California has awarded the City up to $302,850 in Highway Safety Improvement Program (HSIP) grant funds. As a condition, the grant requires ten (10) percent local match funds from the City. As budgeted, $33,650 of Transportation Development Act (TDA) funds (Fund 209) are available as a local match in the Fiscal Year 2023/24 Capital Improvement Program.

BACKGROUND/DISCUSSION:

Using grant funding from the State, the City previously developed a Local Roadway Safety Plan (LRSP) in adherence to Federal regulations established by the State of California. The LRSP serves as a local complement to the State's Strategic Highway Safety Plan (SHSP). Tailored to address the jurisdiction's specific needs, the LRSP aims to assist the local public roadway owner, the City, in addressing highway safety needs within its respective area. The plan comprises a prioritized list of improvements and actions that highlight defined needs and contribute to the broader statewide safety plan.

To implement the improvement opportunities identified by the Diamond Bar's LRSP, the City prepared an application for the State's Highway Safety Improvement Program (HSIP) Cycle 11 grant funding. On March 11, 2023, the State released HSIP Cycle 11 grant application results, and the City was awarded $302,850 with a ten (10) percent local match requirement for a total project budget of $336,500.

Subsequently, the City prepared and submitted a project plan encompassing improvements such as nearside supplemental traffic signal heads, pedestrian countdown units with Accessible Pedestrian Signal (APS), and high visibility crosswalks re-striping. These enhancements aim to maximize visibility and operations at critical intersections, namely:

- Diamond Bar Boulevard/Golden Springs Drive
- Diamond Bar Boulevard/Sunset Crossing Road
- Diamond Bar Boulevard/Grand Avenue
- Diamond Bar Boulevard/Pathfinder Road
- Diamond Bar Boulevard/Brea Canyon Road
- Golden Springs Drive/Brea Canyon Road
- Golden Springs Drive/Carpio Drive
- Grand Avenue/Summitridge Drive
- Brea Canyon Road/Pathfinder Road

This proposed plan, along with all requisite documentation, was presented to the California Department of Transportation (Caltrans), the grant administrator. An illustration of the proposed improvements is provided in Attachment 4.

Caltrans responded with a notification letter, designating $27,540 in State's HSIP funds for the Preliminary Engineering (PE)/Design phase, effective from October 1, 2023. A local match of $3,060 was also allocated in the City's current CIP, resulting in a total design budget of $30,600. Any work approved for funding and undertaken in the PE/Design phase after this date will be eligible for reimbursement.

The Preliminary Engineering (PE)/Design phase represents the essential first stage of planning and design, encompassing the evaluation of project feasibility, defining its scope, and formulating an improvement plan that will guide subsequent construction phase. Following the successful completion of the PE/Design phase and the necessary approvals, the project will advance to the construction phase. The remaining fund balance of $305,900 from the total project budget of $336,500 will be allocated for the construction.

Acceptance of the HSIP grant fund necessitates the City to execute a Master Agreement Administering Agency-State Agreement with Caltrans (Attachment 1) and a Program Supplement Agreement (Attachment 2) accepting $302,850 in HSIP grant funds. To streamline grant management, communications, and reporting to Caltrans, the City must also designate a representative. It is recommended that the City Council adopt the attached resolution (Attachment 3) designating the City's Public Works Director/City Engineer to review and approve related documents on behalf of the City.

ENVIRONMENTAL REVIEW:

The City Council's approval of the funding agreement is not a “project” under the California Environmental Quality Act (CEQA), and is thus exempt from environmental review. Section 15387(b)(4) of the CEQA Guidelines expressly states that actions resulting in “(t)he creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment” are not projects.

LEGAL REVIEW:

The City Attorney has reviewed and approved the Agreements and Resolution as to form.

PREPARED BY:

Christian Malpica

Christian Malpica, Associate Engineer 1/16/2024

REVIEWED BY:

Hal Ghafari

Hal Ghafari, Public Works Manager/Asst. City Engineer 12/5/2023

David G. Liu

David G. Liu, Public Works Director/City Engineer 12/12/2023

Jason Jacobsen

Jason Jacobsen, Finance Director 12/12/2023

Attachments:

1. 5.4.a Administering Agency-State Agreement City of Diamond Bar and Caltrans

2. 5.4.b Program Supplement Agreement (PSA)
3. 5.4.c Resolution No. 2024-01
4. 5.4.d Project's Proposed Improvements

MASTER AGREEMENT
ADMINISTERING AGENCY-STATE AGREEMENT
STATE-FUNDED PROJECTS

07 City of Diamond Bar
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District Administering Agency

Agreement No. 07-5455S21

This AGREEMENT, is entered into effective this _______ day of __________, 20___, by and between the City of Diamond Bar, hereinafter referred to as "ADMINISTERING AGENCY," and the State of California, acting by and through its Department of Transportation (Caltrans), hereinafter referred to as "STATE", and together referred to as "PARTIES" or individually as a "PARTY."

RECITALS:

1. WHEREAS, the Legislature of the State of California has enacted legislation by which certain State funds are made available for use on local transportation related projects of public entities qualified to act as recipients of these state funds; and

2. WHEREAS, ADMINISTERING AGENCY has applied to the California Transportation Commission (CTC) and/or STATE for funding from a State-funded program (herein referred to as STATE FUNDS), as defined in the Local Assistance Program Guidelines (LAPG) and/or in the respective CTC Guidelines, for use on local authorized transportation related projects as a local administered project(s), hereinafter referred to as "PROJECT"; and

3. WHEREAS, said PROJECT will not receive any federal funds; and

4. WHEREAS, before STATE FUNDS will be made available for PROJECT, ADMINISTERING AGENCY and STATE are required to enter into an agreement to establish terms and conditions applicable to the ADMINISTERING AGENCY when receiving STATE FUNDS for a designated PROJECT facility and to the subsequent operation and maintenance of that completed facility.

NOW, THEREFORE, the PARTIES agree as follows:

ARTICLE I - PROJECT ADMINISTRATION

1. This AGREEMENT shall have no force or effect with respect to any program project unless and until a project- specific Program Supplement to this AGREEMENT for state funded projects, hereinafter referred to as "PROGRAM SUPPLEMENT", has been fully executed by both STATE and ADMINISTERING AGENCY.

2. The State approved project-specific allocation notification letter and approved CTC allocation documentation designate the party responsible for implementing PROJECT, type of work, and location of PROJECT for projects requiring CTC allocation by PROJECT component of work.

3. The PROGRAM SUPPLEMENT sets out special covenants as a condition for the ADMINISTERING AGENCY to receive STATE FUNDS from/through STATE for designated PROJECT. The PROGRAM SUPPLEMENT shall also show these STATE FUNDS that have been initially encumbered for PROJECT along with the matching funds to be provided by ADMINISTERING AGENCY and/or others. Execution of PROGRAM SUPPLEMENT by the PARTIES shall cause ADMINISTERING AGENCY to adopt all the terms of this AGREEMENT as though fully set forth therein in the PROGRAM SUPPLEMENT. Unless otherwise expressly delegated in a resolution by the governing body of ADMINISTERING AGENCY, and with written concurrence by STATE, the PROGRAM SUPPLEMENT shall be approved and managed by the governing body of ADMINISTERING AGENCY.

4. ADMINISTERING AGENCY agrees to execute and return each project-specific PROGRAM SUPPLEMENT. The PARTIES agree that STATE may suspend future allocations, encumbrances and invoice payments for any on- going or future STATE FUNDED PROJECT performed by ADMINISTERING AGENCY if any project-specific PROGRAM SUPPLEMENT is not returned, unless otherwise agreed by STATE in writing.

5. ADMINISTERING AGENCY further agrees, as a condition to the release and payment of STATE FUNDS encumbered for the PROJECT described in each PROGRAM SUPPLEMENT, to comply with the terms and conditions of this AGREEMENT and all the agreed-upon Special Covenants or Remarks incorporated within the PROGRAM SUPPLEMENT, and Cooperative/Contribution Agreement where appropriate, defining and identifying the nature of the specific PROJECT.

6. STATE FUNDS will not participate in any portion of PROJECT work performed in advance of the effective date of allocation by CTC, or by STATE for allocations delegated to STATE by CTC, for said PROJECT.

7. Projects allocated with STATE FUNDS will be administered in accordance with the current CTC STIP Guidelines, applicable chapter(s) of the LAPG, LAPM and/or any other instructions published by STATE.

8. ADMINISTERING AGENCY agrees to ensure compliance with all relevant State laws and requirements for work related to PROJECT, including the California Environmental Quality Act (CEQA).

9. ADMINISTERING AGENCY's eligible costs for preliminary engineering work includes all preliminary work directly related to PROJECT up to contract award for construction, including, but not limited to, environmental studies and permits (E&P), preliminary surveys and reports, laboratory work, soil investigations, the preparation of plans, specifications and estimates (PS&E), advertising for bids, awarding of a contract and project development contract administration.

10. ADMINISTERING AGENCY's eligible costs for construction engineering include actual inspection and supervision of PROJECT construction work; construction staking; laboratory and field testing; and the preparation and processing of field reports, records, estimates, final reports, and allowable expenses of employees/consultants engaged in such activities.

11. Unless the PARTIES agree otherwise in writing, ADMINISTERING AGENCY's employees or its contracted engineering consultant shall be responsible for all PROJECT engineering work.

12. ADMINISTERING AGENCY shall not proceed with final design of PROJECT until final environmental approval of PROJECT. Final design entails the design work necessary to complete the PS&E and other work necessary for a construction contract but not required earlier for environmental clearance of that PROJECT.

13. If PROJECT is not on STATE-owned right-of-way, PROJECT shall be constructed in accordance with Chapter 11 of the LAPM that describes minimum statewide design standards for local agency streets and roads. The design standards for projects off the National Highway System (NHS) allow STATE to accept either the current Caltrans Highway Design Manual standards, the current FHWA-adopted American Association of State Highway and Transportation Officials (AASHTO) A Policy on Geometric Design of Highways and Streets standards, or the approved geometric design standards of ADMINISTERING AGENCY. Additionally, for projects off the NHS, STATE will accept ADMINISTERING AGENCY-approved standard specifications, standard plans, materials sampling and testing quality assurance programs that meet the conditions described in the then current Local Assistance Procedures Manual.

14. If PROJECT involves work within or partially within STATE-owned right-of-way, that PROJECT shall also be subject to compliance with the policies, procedures and standards of the STATE Project Development Procedures Manual and Highway Design Manual and where appropriate, an executed cooperative agreement between STATE and ADMINISTERING AGENCY that outlines the PROJECT responsibilities and respective obligations of the PARTIES. ADMINISTERING AGENCY and its contractors shall each obtain an encroachment permit through STATE prior to commencing any work within STATE rights-of-way or work which affects STATE facilities.

15. When PROJECT is not on the State Highway System (SHS) but includes work to be performed by a railroad, the contract for such work shall be prepared by ADMINISTERING AGENCY or by STATE, as the PARTIES may hereafter agree. In either event, ADMINISTERING AGENCY shall enter into an agreement with the railroad providing for future maintenance of protective devices or other facilities installed under the contract.

16. ADMINISTERING AGENCY shall comply with the provisions of sections 4450 and 4454 of the California Government Code, as well as other Department of General Services guidance, if applicable, for the contract PS&E for the construction of buildings, structures, sidewalks, curbs and related facilities for accessibility and usability. Further requirements and guidance are provided in Title 24 of the California Code of Regulations.

17. ADMINISTERING AGENCY shall provide a full-time public employee to be in responsible charge of each PROJECT. ADMINISTERING AGENCY shall provide or arrange for adequate supervision and inspection of each PROJECT. ADMINISTERING AGENCY may utilize consultants to perform supervision and inspection work for PROJECT with a

fully qualified and licensed engineer. Utilization of consultants does not relieve ADMINISTERING AGENCY of its obligation to provide a full-time public employee to be in responsible charge of each PROJECT.

18. Unless otherwise provided in the PROGRAM SUPPLEMENT, ADMINISTERING AGENCY shall advertise, award, and administer the PROJECT construction contract or contracts.

19. The cost of maintenance, security, or protection performed by ADMINISTERING AGENCY or contractor forces during any temporary suspension of PROJECT or at any other time may not be charged to the PROJECT.

20. ADMINISTERING AGENCY shall submit PROJECT-specific award information to STATE's District Local Assistance Engineer, within sixty (60) days after contract award.

21. ADMINISTERING AGENCY shall submit the final report documents that collectively constitute a "Final Project Expenditure Report", LAPM Exhibit 17-M, within one hundred eighty (180) days of PROJECT completion. Failure by ADMINISTERING AGENCY to submit a "Final Project Expenditure Report", within 180 days of project completion will result in STATE imposing sanctions upon ADMINISTERING AGENCY in accordance with the Local Assistance Procedures Manual.

22. ADMINISTERING AGENCY shall comply with the Americans with Disabilities Act (ADA) of 1990 that prohibits discrimination on the basis of disability and all applicable regulations and guidelines issued pursuant to the ADA.

23. The Governor and the Legislature of the State of California, each within their respective jurisdictions, have prescribed certain nondiscrimination requirements with respect to contract and other work financed with public funds. ADMINISTERING AGENCY agrees to comply with the requirements of the FAIR EMPLOYMENT PRACTICES ADDENDUM, attached hereto as Exhibit A and further agrees that any agreement entered into by ADMINISTERING AGENCY with a third party for performance of work connected with PROJECT shall incorporate Exhibit A (with third party's name replacing ADMINISTERING AGENCY) as parts of such agreement.

24. ADMINISTERING AGENCY shall include in all contracts and subcontracts awarded when applicable, a clause that requires each subcontractor to comply with California Labor Code requirements that all workers employed on public works aspects of any project (as defined in California Labor Code sections 1720-1815) be paid not less than the general prevailing wage rates predetermined by the Department of Industrial Relations as effective at the date of contract award by the ADMINISTERING AGENCY.

ARTICLE II - RIGHTS-OF-WAY

1. No contract for the construction of a STATE FUNDED PROJECT shall be awarded until all necessary rights of way have been secured. Prior to the advertising for construction of PROJECT, ADMINISTERING AGENCY shall certify and, upon request, shall furnish STATE with evidence that all necessary rights-of-way are available for construction purposes or will be available by the time of award of the construction contract.

2. The furnishing of rights of way by ADMINISTERING AGENCY as provided for herein includes, and is limited to, the following, unless the PROGRAM SUPPLEMENT provides otherwise.

(a) Expenditures of capital and support to purchase all real property required for

PROJECT free and clear of liens, conflicting easements, obstructions and encumbrances, after crediting PROJECT with the fair market value of any excess property retained and not disposed of by ADMINISTERING AGENCY.

(b) The cost of furnishing of right-of-way as provided for herein includes, in addition to real property required for the PROJECT, title free and clear of obstructions and encumbrances affecting PROJECT and the payment, as required by applicable law, of damages to owners of remainder real property not actually taken but injuriously affected by PROJECT.

(c) The cost of relocation payments and services provided to owners and occupants pursuant to Government Code sections 7260-7277 when PROJECT displaces an individual, family, business, farm operation or nonprofit organization.

(d) The cost of demolition and/or the sale of all improvements on the right-of-way after credit is recorded for sale proceeds used to offset PROJECT costs.

(e) The cost of all unavoidable utility relocation, protection or removal.

(f) The cost of all necessary hazardous material and hazardous waste treatment, encapsulation or removal and protective storage for which ADMINISTERING AGENCY accepts responsibility and where the actual generator cannot be identified, and recovery made.

3. ADMINISTERING AGENCY agrees to indemnify and hold STATE harmless from any liability that may result in the event the right-of-way for a PROJECT is not clear as certified by ADMINISTERING AGENCY, including, but not limited to, if said right-of-way is found to contain hazardous materials requiring treatment or removal to remediate in accordance with Federal and State laws. ADMINISTERING AGENCY shall pay, from its own non- matching funds, any costs which arise out of delays to the construction of PROJECT because utility facilities have not been timely removed or relocated, or because rights-of-way were not available to ADMINISTERING AGENCY for the orderly prosecution of PROJECT work.

ARTICLE III - MAINTENANCE AND MANAGEMENT

1. ADMINISTERING AGENCY will maintain and operate the property acquired, developed, constructed, rehabilitated, or restored by PROJECT for its intended public use until such time as the parties might amend this AGREEMENT to otherwise provide. With the approval of STATE, ADMINISTERING AGENCY or its successors in interest in the PROJECT property may transfer this obligation and responsibility to maintain and operate PROJECT property for that intended public purpose to another public entity.

2. Upon ADMINISTERING AGENCY's acceptance of the completed construction contract or upon contractor being relieved of the responsibility for maintaining and protecting PROJECT, ADMINISTERING AGENCY will be responsible for the maintenance, ownership, liability, and the expense thereof, for PROJECT in a manner satisfactory to the authorized representatives of STATE and if PROJECT falls within the jurisdictional limits of another Agency or Agencies, it is the duty of ADMINISTERING AGENCY to facilitate a separate maintenance agreement(s) between itself and the other jurisdictional Agency or Agencies providing for the operation, maintenance, ownership and liability of PROJECT. Until those agreements are executed, ADMINISTERING AGENCY will be responsible for all PROJECT operations, maintenance, ownership and liability in a manner satisfactory to the authorized representatives of STATE. If, within ninety (90) days after receipt of notice from STATE that a PROJECT, or any portion thereof, is not

being properly operated and maintained and ADMINISTERING AGENCY has not satisfactorily remedied the conditions complained of, the approval of future STATE FUNDED PROJECTS of ADMINISTERING AGENCY will be withheld until the PROJECT shall have been put in a condition of operation and maintenance satisfactory to STATE. The provisions of this section shall not apply to a PROJECT that has been vacated through due process of law with STATE's concurrence.

3. PROJECT and its facilities shall be maintained by an adequate and well-trained staff of engineers and/or such other professionals and technicians as PROJECT reasonably requires. Said operations and maintenance staff may be employees of ADMINISTERING AGENCY, another unit of government, or a contractor under agreement with ADMINISTERING AGENCY. All maintenance will be performed at regular intervals or as required for efficient operation of the complete PROJECT improvements.

4. ADMINISTERING AGENCY shall comply with all applicable law, including but not limited to, all applicable legal authority regarding construction standards.

ARTICLE IV - FISCAL PROVISIONS

1. All contractual obligations of STATE are subject to the appropriation of resources by the Legislature and the allocation of resources by the CTC.

2. STATE'S financial commitment of STATE FUNDS will occur only upon the execution of this AGREEMENT, the execution of each project-specific PROGRAM SUPPLEMENT and/or STATE's approved finance letter.

3. ADMINISTERING AGENCY agrees, as a minimum, to submit invoices in arrears for reimbursement of allowable PROJECT costs at least once every six months commencing after the STATE FUNDS are encumbered on either the project-specific PROGRAM SUPPLEMENT or through a project-specific finance letter approved by STATE. STATE reserves the right to suspend future allocations and invoice payments for any on-going or future STATE FUNDED project performed by ADMINISTERING AGENCY if PROJECT costs have not been invoiced by ADMINISTERING AGENCY for a six-month period

4. Invoices shall be submitted on a standardized billing summary template, in accordance with Chapter 5 of the LAPM to claim reimbursement by ADMINISTERING AGENCY. For construction invoices, pay estimates must be included.

5. ADMINISTERING AGENCY must retain at least one copy of supporting backup documentation for allowable costs incurred and claimed for reimbursement by ADMINISTERING AGENCY. ADMINISTERING AGENCY agrees to submit supporting backup documentation with invoices if requested by State. Acceptable backup documentation includes, but is not limited to, agency's progress payment to the contractors, copies of cancelled checks showing amounts made payable to vendors and contractors, and/or a computerized summary of PROJECT costs.

6. Payments to ADMINISTERING AGENCY can only be released by STATE as reimbursements of actual allowable PROJECT costs already incurred and paid for by the ADMINISTERING AGENCY.

7. Indirect Cost Allocation Plans/Indirect Cost Rate Proposals (ICAP/ICRP), Central Service Cost Allocation Plans and related documentation are to be prepared and provided to the Inspector General - Independent Office of Audits and Investigations for review and approval prior to ADMINISTERING AGENCY seeking reimbursement of

indirect cost incurred within each fiscal year being claimed for reimbursement. ICAPs/ICRPs must be prepared in accordance with the requirements set forth in 2 CFR, Part 200, Chapter 5 of the LAPM, and the ICAP/ICRP approval procedures established by STATE.

8. STATE will withhold the greater of either two (2) percent of the total of all STATE FUNDS encumbered for each PROGRAM SUPPLEMENT or $40,000 until ADMINISTERING AGENCY submits the Final Report of Expenditures for each completed PROGRAM SUPPLEMENT PROJECT.

9. The estimated total cost of PROJECT, the amount of STATE FUNDS obligated, and the required matching funds may be adjusted by mutual consent of the PARTIES with a finance letter, and an allocation notification letter when applicable. STATE FUNDING may be increased to cover PROJECT cost increases only if such additional funds are available and the CTC and/or STATE concurs with that increase in the form of an allocation and finance letter.

10. When such additional STATE FUNDS are not available, ADMINISTERING AGENCY agrees that any increases in PROJECT costs must be defrayed with ADMINISTERING AGENCY's own funds.

11. ADMINISTERING AGENCY shall use its own non-STATE FUNDS to finance the local share of eligible costs and all PROJECT expenditures or contract items ruled ineligible for financing with STATE FUNDS. STATE shall make the final determination of ADMINISTERING AGENCY's cost eligibility for STATE FUNDED financing with respect to claimed PROJECT costs.

12. ADMINISTERING AGENCY will reimburse STATE for STATE's share of costs for work performed by STATE at the request of ADMINISTERING AGENCY. STATE's costs shall include overhead assessments in accordance with section 8755.1 of the State Administrative Manual.

13. STATE FUNDS allocated by the CTC and/or STATE are subject to the timely use of funds provisions approved in CTC Guidelines and State procedures approved by the CTC and STATE.

14. STATE FUNDS encumbered for PROJECT are available for liquidation only for a limited period from the beginning of the State fiscal year when those funds were appropriated in the State Budget. STATE FUNDS not liquidated within these periods will be reverted unless a Cooperative Work Agreement (CWA) is submitted by ADMINISTERING AGENCY and approved by the California Department of Finance in accordance with Section 16304 of the Government Code. The exact date of fund reversion will be reflected in the STATE signed PROJECT finance letter.

15. Payments to ADMINISTERING AGENCY for PROJECT-related travel and subsistence (per diem) expenses of ADMINISTERING AGENCY forces and its contractors and subcontractors claimed for reimbursement or as local match credit shall not exceed rates authorized to be paid to rank and file STATE employees under current California Department of Human Resources (CalHR) rules unless a Cooperative Work Agreement (CWA) is submitted by ADMINISTERING AGENCY and approved by the California Department of Finance in accordance with Government Code section 16304. If the rates invoiced by ADMINISTERING AGENCY are in excess of CalHR rates, ADMINISTERING AGENCY is responsible for the cost difference, and any overpayments inadvertently paid by STATE shall be reimbursed to STATE by ADMINISTERING AGENCY on demand.

16. ADMINISTERING AGENCY agrees to comply with California Government Code 4525-4529.14. Administering Agency shall undertake the procedures described in California Government Code 4527(a) and 4528(a). Administering Agency shall also comply with 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards, excluding 2 CFR Part 200.318-200.326.

17. ADMINISTERING AGENCY agrees and will assure that its contractors and subcontractors will be obligated to agree that Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual PROJECT cost items. Every recipient and sub-recipient receiving PROJECT funds under this AGREEMENT shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards, excluding 2 CFR Part 200.318-200.326Governments. ADMINISTERING AGENCY agrees to comply with the provisions set forth in 23 CFR Parts 140, 645 and 646 when contracting with railroad and utility companies.

18. Every recipient and sub-recipient receiving PROJECT funds under this AGREEMENT shall comply with 2 CFR 200 excluding 2 CFR Part 200.318-200.326, 48 CFR Chapter 1, Part 31, LAPM, Public Contract Code (PCC) 10300- 10334 (procurement of goods), PCC 10335-10381 (non-A&E services), California Government Code 4525-4529.5 including 4527(a) and 4528(a), and other applicable STATE regulations.

19. Any PROJECT costs for which ADMINISTERING AGENCY has received payment or credit that are determined by subsequent audit to be questioned, disallowed, or unallowable under 2 CFR, Part 200, 48 CFR, Chapter 1, Part 31, 23 CFR Parts 140, 645 and 646, LAPM, Public Contract Code (PCC) 10300-10334 (procurement of goods), PCC 10335-10381 (non-A&E services), California Government Code 4525-4529.5 including 4527(a) and 4528(a), and other applicable STATE regulations are subject to repayment by ADMINISTERING AGENCY to STATE and may result in STATE imposing sanctions on ADMINISTERING AGENCY as described in Chapter 20 of the Local Assistance Procedures Manual.

20. Should ADMINISTERING AGENCY fail to refund any moneys due upon written demand by STATE as provided herein or should ADMINISTERING AGENCY breach this AGREEMENT by failing to complete PROJECT without adequate justification and approval by STATE, then, within thirty (30) days of demand, or within such other period as may be agreed to in writing between the PARTIES hereto, STATE, acting through the State Controller, the State Treasurer, the CTC or any other public entity or agency, may intercept, withhold and demand the transfer of an amount equal to the amount paid by or owed to STATE for each PROJECT, from future apportionments, or any other funds due ADMINISTERING AGENCY from the Highway Users Tax Fund or any other sources of funds, and/or may also withhold approval of future STATE FUNDED projects proposed by ADMINISTERING AGENCY.

21. Should ADMINISTERING AGENCY be declared to be in breach of this AGREEMENT or otherwise in default thereof by STATE, and if ADMINISTERING AGENCY is constituted as a joint powers authority, special district, or any other public entity not directly receiving funds through the State Controller, STATE is authorized to obtain reimbursement from whatever sources of funding are available, including the withholding or transfer of funds, from those constituent entities comprising a joint powers authority or by bringing of an action against ADMINISTERING AGENCY or its constituent member entities, to recover all funds provided by STATE hereunder.

22. ADMINISTERING AGENCY acknowledges that the signatory party represents the ADMINISTERING AGENCY and further warrants that there is nothing within a Joint Powers Agreement, by which ADMINISTERING AGENCY was created, if any exists, that would restrict or otherwise limit STATE's ability to recover STATE FUNDS improperly spent by ADMINISTERING AGENCY in contravention of the terms of this AGREEMENT.

ARTICLE V

AUDITS, THIRD PARTY CONTRACTING, RECORDS RETENTION AND REPORTS

1. STATE reserves the right to conduct technical and financial audits of PROJECT work and records and ADMINISTERING AGENCY agrees, and shall require its contractors and subcontractors to agree, to cooperate with STATE by making all appropriate and relevant PROJECT records available for audit and copying as required by paragraph three (3) of Article V.

2. ADMINISTERING AGENCY, its contractors and subcontractors shall establish and maintain a financial management system and records that properly accumulate and segregate reasonable, allowable, and allocable incurred PROJECT costs and matching funds by line item for the PROJECT. The financial management system of ADMINISTERING AGENCY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles, enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices sent to or paid by STATE.

3. ADMINISTERING AGENCY, ADMINISTERING AGENCY's contractors and subcontractors, and STATE shall each maintain and make available for inspection and audit by STATE, the California State Auditor, or any duly authorized representative of STATE or the United States, all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts, and ADMINISTERING AGENCY shall furnish copies thereof if requested. All of the above-referenced parties shall make such AGREEMENT and PROGRAM SUPPLEMENT materials available at their respective offices at all reasonable times during the entire PROJECT period and for three (3) years, or 35 years for Prop 1B funds, from the date of final payment to ADMINISTERING AGENCY.

4. ADMINISTERING AGENCY shall not award a construction contract over $25,000 on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of STATE. All contracts awarded by ADMINISTERING AGENCY intended or used as local match credit must meet the requirements set forth in this AGREEMENT regarding local match funds.

5. ADMINISTERING AGENCY shall comply with Chapter 10 (commencing with Section 4525) Division 5 of Title 1 of the Government Code and shall undertake the procedures described in California Government Code 4527(a) and 4528(a). Administering Agency shall comply with Chapter 10 of the LAPM for AE Consultant Contracts.

6. ADMINISTERING AGENCY shall comply with Government Code Division 5 Title 1 sections 4525-4529.5 and shall undertake the procedures described in California Government Code 4527(a) and 4528(a) for procurement of professional service contracts. Administering Agency shall follow Public Contract Code Section 10335-10381 for other professional service contracts.

7. Any subcontract entered into by ADMINISTERING AGENCY as a result of this AGREEMENT shall contain all of the provisions of Article IV, FISCAL PROVISIONS, and this ARTICLE V, AUDITS, THIRD-PARTY CONTRACTING, RECORDS RETENTION AND REPORTS and shall mandate that travel and per diem reimbursements and third- party contract reimbursements to subcontractors will be allowable as PROJECT costs only after those costs are incurred and paid for by the subcontractors.

8. To be eligible for local match credit, ADMINISTERING AGENCY must ensure that local match funds used for a PROJECT meet the fiscal provisions requirements outlined in ARTICLE IV in the same manner that is required of all other PROJECT expenditures.

9. Except as provided in this Article, this AGREEMENT is solely between and for the benefit of the PARTIES and there are no third-party beneficiaries.

ARTICLE VI - MISCELLANEOUS PROVISIONS

1. ADMINISTERING AGENCY agrees to use all PROJECT funds reimbursed hereunder only for transportation purposes that are in conformance with Article XIX of the California State Constitution and other California laws.

2. ADMINISTERING AGENCY shall conform to all applicable State and Federal statutes and regulations, and the Local Assistance Program Guidelines and Local Assistance Procedures Manual as published by STATE and incorporated herein, including all subsequent approved revisions thereto applicable to PROJECT unless otherwise designated in the project-specific executed PROJECT SUPPLEMENT.

3. This AGREEMENT is subject to any additional restrictions, limitations, conditions, or any statute enacted by the State Legislature or adopted by the CTC that may affect the provisions, terms, or funding of this AGREEMENT in any manner.

4. ADMINISTERING AGENCY and the officers and employees of ADMINISTERING AGENCY, when engaged in the performance of this AGREEMENT, shall act in an independent capacity and not as officers, employees or agents of STATE.

5. Each project-specific PROGRAM SUPPLEMENT shall separately establish the terms and funding limits for each described PROJECT funded under this AGREEMENT and that PROGRAM SUPPLEMENT. No STATE FUNDS are obligated against this AGREEMENT.

6. ADMINISTERING AGENCY certifies that neither ADMINISTERING AGENCY nor its principals are suspended or debarred at the time of the execution of this AGREEMENT, and ADMINISTERING AGENCY agrees that it will notify STATE immediately in the event a suspension or a debarment occurs after the execution of this AGREEMENT.

7. ADMINISTERING AGENCY certifies, by execution of this AGREEMENT, that no person or selling agency has been employed or retained to solicit or secure this AGREEMENT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by ADMINISTERING AGENCY for the purpose of securing business. For breach or violation of this warranty, STATE has the right to annul this AGREEMENT without liability, pay only for the value of the PROJECT work actually performed, or in STATE's discretion, to deduct from the price of PROGRAM SUPPLEMENT consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8. In accordance with Public Contract Code section 10296, ADMINISTERING AGENCY hereby certifies under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against ADMINISTERING AGENCY within the immediate preceding two (2) year period because of ADMINISTERING AGENCY's failure to comply with an order of a federal court that orders ADMINISTERING AGENCY to comply with an order of the National Labor Relations Board.

9. ADMINISTERING AGENCY shall disclose any financial, business, or other relationship with STATE that may have an impact upon the outcome of this AGREEMENT or any individual PROJECT encompassed within a PROGRAM SUPPLEMENT. ADMINISTERING AGENCY shall also list current contractors who may have a financial interest in the outcome of a PROJECT undertaken pursuant to this AGREEMENT. These disclosures shall be delivered to STATE in a form deemed acceptable by the STATE prior to execution of this AGREEMENT.

10. ADMINISTERING AGENCY hereby certifies that it does not have, nor shall it acquire, any financial or business interest that would conflict with the performance of any PROJECT initiated under this AGREEMENT.

11. ADMINISTERING AGENCY certifies that this AGREEMENT was not obtained or secured through rebates, kickbacks or other unlawful consideration either promised or paid to any STATE employee. For breach or violation of this warranty, STATE shall have the right, in its sole discretion, to terminate this AGREEMENT without liability, to pay only for PROJECT work actually performed, or to deduct from a PROGRAM SUPPLEMENT price or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

12. Any dispute concerning a question of fact arising under this AGREEMENT that is not disposed of by agreement shall be decided by the STATE's Contract Manager, who shall be identified to ADMINISTERING AGENCY at the time of execution of this AGREEMENT and, as applicable , any time that Contract Manager changes during the duration of this AGREEMENT who may consider any written or verbal evidence submitted by ADMINISTERING AGENCY. The decision of the Contract Manager, issued in writing, shall be conclusive and binding on the PARTIES on all questions of fact considered and determined by the Contract Manager.

13. Neither the pendency of a dispute nor its consideration by the Contract Manager will excuse the ADMINISTERING AGENCY from full and timely performance in accordance with the terms of this AGREEMENT and each PROGRAM SUPPLEMENT.

14. Neither STATE nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by ADMINISTERING AGENCY under or in connection with any work, authority or jurisdiction of ADMINISTERING AGENCY arising under this AGREEMENT. It is understood and agreed that ADMINISTERING AGENCY shall fully defend, indemnify and save harmless STATE and all of its officers and employees from all claims and suits or actions of every name, kind and description brought forth under, including but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by ADMINISTERING AGENCY under this AGREEMENT.

15. Neither ADMINISTERING AGENCY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by STATE, under or in connection with any work, authority or

jurisdiction arising under this AGREEMENT. It is understood and agreed that STATE shall fully defend, indemnify and save harmless the ADMINISTERING AGENCY and all of its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including but not limited to, tortious, contractual, inverse condemnation and other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this AGREEMENT.

16. In the event of (a) ADMINISTERING AGENCY failing to timely proceed with effective PROJECT work in accordance with the project-specific PROGRAM SUPPLEMENT; (b) failing to maintain any applicable bonding requirements; and (c) otherwise materially violating the terms and conditions of this AGREEMENT and/or any PROGRAM SUPPLEMENT, STATE reserves the right to terminate funding for that PROJECT upon thirty (30) days' written notice to ADMINISTERING AGENCY.

17. No termination notice shall become effective if, within thirty (30) days after receipt of a Notice of Termination, ADMINISTERING AGENCY either cures the default involved or, if the default is not reasonably susceptible of cure within said thirty (30) day period the ADMINISTERING AGENCY proceeds thereafter to complete that cure in a manner and time line acceptable to STATE.

18. Any such termination shall be accomplished by delivery to ADMINISTERING AGENCY of a Notice of Termination, which notice shall become effective not less than thirty (30) days after receipt, specifying the reason for the termination, the extent to which funding of work under this AGREEMENT and the applicable PROGRAM SUPPLEMENT is terminated and the date upon which such termination becomes effective, if beyond thirty (30) days after receipt. During the period before the effective termination date, ADMINISTERING AGENCY and STATE shall meet to attempt to resolve any dispute. In the event of such termination, STATE may proceed with the PROJECT work in a manner deemed proper by STATE. If STATE terminates funding for PROJECT with ADMINISTERING AGENCY for the reasons stated in paragraph sixteen (16) of ARTICLE VI, STATE shall pay ADMINISTERING AGENCY the sum due ADMINISTERING AGENCY under the PROGRAM SUPPLEMENT and/or STATE-approved finance letter prior to termination, provided, however, ADMINISTERING AGENCY is not in default of the terms and conditions of this AGREEMENT or the project-specific PROGRAM SUPPLEMENT and that the cost of any PROJECT completion to STATE shall first be deducted from any sum due ADMINISTERING AGENCY.

19. In the case of inconsistency or conflicts with the terms of this AGREEMENT and that of a project-specific PROGRAM SUPPLEMENT and/or Cooperative Agreement, the terms stated in that PROGRAM SUPPLEMENT and/or Cooperative Agreement shall prevail over those in this AGREEMENT.

20. Without the written consent of STATE, this AGREEMENT is not assignable by ADMINISTERING AGENCY either in whole or in part.

21. No alteration or variation of the terms of this AGREEMENT shall be valid unless made in writing and signed by the PARTIES, and no oral understanding or agreement not incorporated herein shall be binding on any of the PARTIES.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT by their duly authorized officer.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By______________________________

____

Chief, Office of Project Management Oversight
Division of Local Assistance

Date______________________________

City of Diamond Bar

By______________________________

____

____

City of Diamond Bar

Representative Name & Title
(Authorized Governing Body Representative)

Date______________________________

EXHIBIT A - FAIR EMPLOYMENT PRACTICES ADDENDUM

1. In the performance of this Agreement, ADMINISTERING AGENCY will not discriminate against any employee for employment on account of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. ADMINISTERING AGENCY will take affirmative action to ensure that employees are treated during employment without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Such action shall include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. ADMINISTERING AGENCY shall post in conspicuous places, available to employees for employment, notices to be provided by STATE setting forth the provisions of this Fair Employment section.

2. ADMINISTERING AGENCY, its contractor(s) and all subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, 12900 et seq.), and the applicable regulations promulgated thereunder (Cal. Code Regs., Title 2, 11000, et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12900(a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full. Each of the ADMINISTERING AGENCY'S contractors and all subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreements, as appropriate.

3. ADMINISTERING AGENCY shall include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under this AGREEMENT.

4. ADMINISTERING AGENCY will permit access to the records of employment, employment advertisements, application forms, and other pertinent data and records by STATE, the State Fair Employment and Housing Commission, or any other agency of the State of California designated by STATE, for the purposes of investigation to ascertain compliance with the Fair Employment section of this Agreement.

5. Remedies for Willful Violation:

(a) STATE may determine a willful violation of the Fair Employment provision to have occurred upon receipt of a final judgment to that effect from a court in an action to which ADMINISTERING AGENCY was a party, or upon receipt of a written notice from the Fair Employment and Housing Commission that it has investigated and determined that ADMINISTERING AGENCY has violated the Fair Employment Practices Act.

(b) For willful violation of this Fair Employment Provision, STATE shall have the right to terminate this Agreement either in whole or in part, and any loss or damage sustained by STATE in securing the goods or services thereunder shall be borne and paid for by ADMINISTERING AGENCY and by the surety under the performance bond, if any, and STATE may deduct from any moneys due or thereafter may become due to ADMINISTERING AGENCY, the difference between the price named in the Agreement and the actual cost thereof to STATE to cure ADMINISTERING AGENCY's breach of this Agreement.

PROGRAM SUPPLEMENT NO. 00000A335 **to** **ADMINISTERING AGENCY-STATE AGREEMENT** **FOR STATE FUNDED PROJECTS NO** 07-5455S21	**Adv. Project ID** 0724000103 **Date:** November 01, 2023 **Location:** 07-LA-1-DMBR **Project Number:** HSIPSL-5455(018) **E.A. Number:** **Locode:** 5455

This Program Supplement, effective , hereby adopts and incorporates into the Administering Agency-State Agreement No. 07-5455S21 for State Funded Projects which was entered into between the ADMINISTERING AGENCY and the STATE with an effective date of and is subject to all the terms and conditions thereof. This PROGRAM SUPPLEMENT is executed in accordance with Article I of the aforementioned Master Agreement under authority of Resolution No. approved by the ADMINISTERING AGENCY on (See copy attached).

The ADMINISTERING AGENCY further stipulates that as a condition to the payment by the State of any funds derived from sources noted below encumbered to this project, Administering Agency accepts and will comply with the Special Covenants and remarks set forth on the following pages.

PROJECT LOCATION: On Diamond Bar Blvd at Golden Springs, Sunset Crossing, Grand Ave, Pathfinder, Brea Canyon. On Golden Springs at Brea Canyon, Carpio. Grand Ave/summitridge. BreCanyon/Pathfinder.

TYPE OF WORK: Install nearside supplemental traffic signals, install pedestrian countdown signal heads, and restri **LENGTH:** 0.0(MILES)

Estimated Cost	State Funds	Matching Funds		
	STATE $27,540.00	LOCAL		OTHER
$30,600.00		$3,060.00		$0.00

CITY OF DIAMOND BAR	**STATE OF CALIFORNIA** **Department of Transportation**
By ____________	**By** ____________
Title ____________	**Chief, Office of Project Implementation** **Division of Local Assistance**
Date ____________	
Attest ____________	**Date** ____________

I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance:

Accounting Officer Jennie Yee **Date** 11/1/2023 $27,540.00

SPECIAL COVENANTS OR REMARKS

1. A. This PROJECT has received STATE funds from Highway Safety Improvement Program (HSIP). The ADMINISTERING AGENCY agrees to administer the PROJECT in accordance with the Highway Safety Improvement Program (HSIP) Guidelines, the Local Assistance Procedures Manual (LAPM), the Local Assistance Program Guidelines (LAPG), and this PROGRAM SUPPLEMENT.

   B. The STATE funds for this PROJECT may be provided under one or more phases, which are Preliminary Engineering (PE), Right-of-Way (R/W) and Construction (Con).

   A phase-specific fund allocation is required, in addition to other requirements, before reimbursable work can occur for the phase identified. Each allocation will be assigned an effective date and identify the amount of funds allocated per phase. Unless otherwise determined, the effective date of the phase-specific allocation will constitute the start of reimbursable expenditures for the phase. The STATE funds available for reimbursement will be limited to the amount allocated by the STATE for the phase.

   C. At the time of the first fund allocation approval for the Project, this PROGRAM SUPPLEMENT, a STATE-approved Allocation Letter and STATE Finance Letter are prepared to allow reimbursement of eligible PROJECT expenditures for the phase allocated.

   D. STATE and ADMINISTERING AGENCY agree that any additional fund allocations made after the execution of this PROGRAM SUPPLEMENT, for the phase that has been authorized in the first fund allocation approval or for a new phase, will be encumbered on this PROJECT by use of a STATE-approved Allocation Letter and a STATE Finance Letter and are subject to the terms and conditions thereof.

   E. This PROJECT is subject to the delivery requirements enacted by the HSIP guidelines. The delivery requirements may be accessed at: https://dot.ca.gov/programs/local-assistance/fed-and-state-programs/highway-safety-improvement-program/delivery-requirements-status-approved-projects.

   F. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer immediately after project contract award and prior to the submittal of the ADMINISTERING AGENCY'S first invoice for the construction contract. Failure to do so will cause a delay in the State processing of invoices for the construction phase.

   G. The ADMINISTERING AGENCY shall invoice STATE for PE, R/W and CON costs no later than 180 days after the end of expenditure the phase. For construction costs, the ADMINISTERING AGENCY has 180 days after project completion or contract acceptance to make the final payment to the contractor, prepare the final Report of Expenditures and final invoice, and submit to STATE for verification and

SPECIAL COVENANTS OR REMARKS

payment.

H. ADMINISTERING AGENCY agrees to submit the final report documents that collectively constitute a "Report of Expenditures" within one hundred eighty (180) days of PROJECT completion. Failure of ADMINISTERING AGENCY to submit a "Final Report of Expenditures" within 180 days of PROJECT completion will result in STATE imposing sanctions upon ADMINISTERING AGENCY in accordance with the current LAPM provisions.

I. ADMINISTERING AGENCY agrees to comply with the requirements in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (applicable to Federal and State Funded Projects).

J. By executing this PROGRAM SUPPLEMENT, ADMINISTERING AGENCY agrees to provide the STATE, upon request, with the information related to the PROJECT for the purpose of project evaluation or other purposes.

K. The ADMINISTERING AGENCY shall construct the PROJECT in accordance with the scope of work presented in the application and approved by the State. Any changes to the approved PROJECT scope without the prior expressed approval of the State are ineligible for reimbursement and may result in the entire PROJECT becoming ineligible for reimbursement.

RESOLUTION NO. 2024-01

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DIAMOND BAR DESIGNATING THE PUBLIC WORKS DIRECTOR/CITY ENGINEER TO REPRESENT THE CITY OF DIAMOND BAR AND SIGN DOCUMENTS RELATED TO THE GRANT FUNDS FROM THE STATE OF CALIFONIA UNDER HIGHWAY SAFETY IMPROVEMENT PROGRAM.

WHEREAS, the City of Diamond Bar applied for Highway Safety Improvement Program (HSIP) grant funding from the State of California acting by and through its Department of Transportation (“Caltrans”); and

WHEREAS, the HSIP grant will assist the City in intersection safety improvements; and

WHEREAS, the City of Diamond Bar will receive up to $302,850 in grant funds from Caltrans under HSIP and needs to designate a representative to work with Caltrans to implement the grant.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DIAMOND BAR DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the City Council of the City of Diamond Bar designates the Public Works Director/City Engineer to represent the City and sign the HSIP grant documents on behalf of the City.

PASSED, APPROVED AND ADOPTED this 16th day of January, 2024.

CITY OF DIAMOND BAR

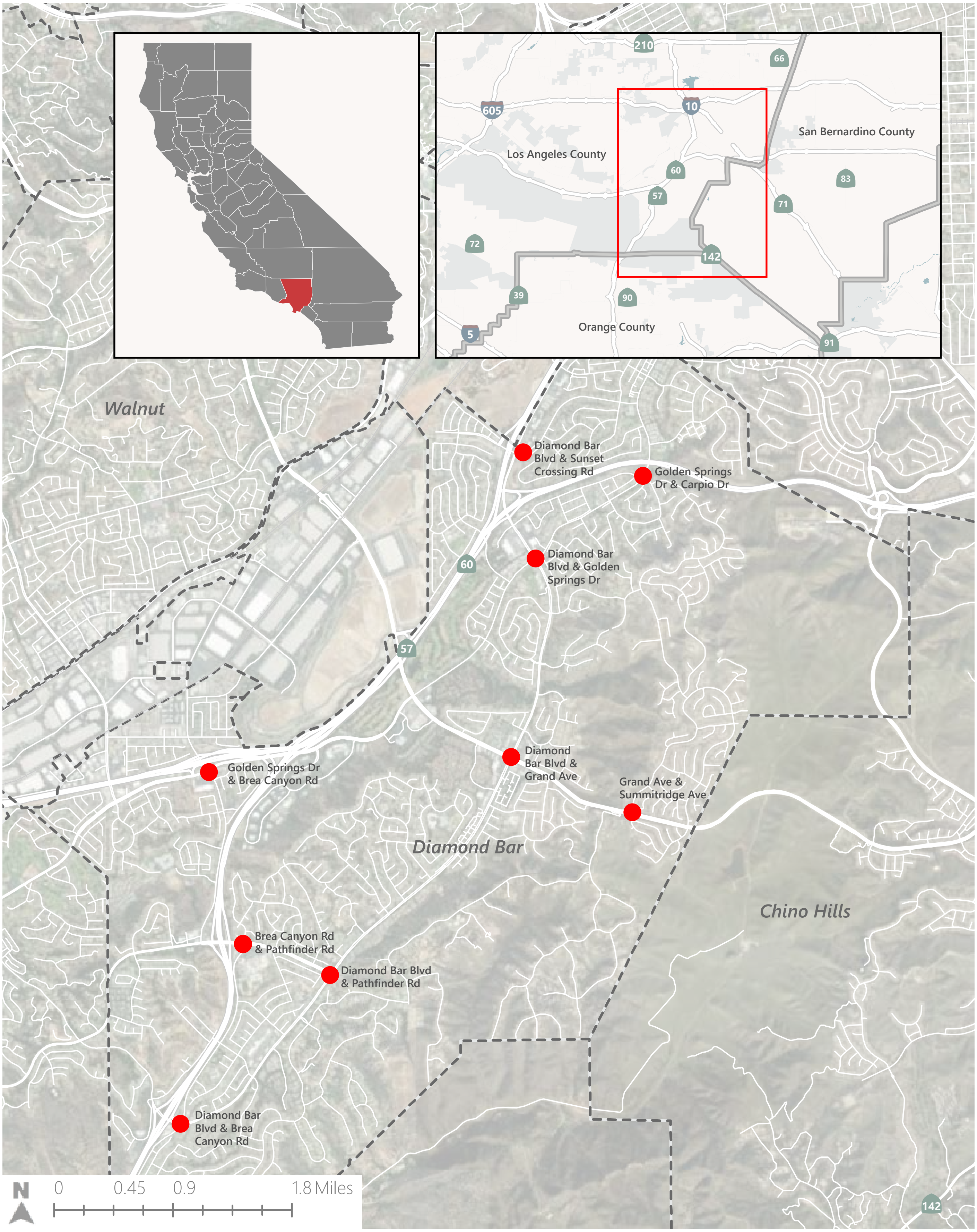
____
Stan Liu, Mayor

ATTEST:

I, Kristina Santana, City Clerk of the City of Diamond Bar, do hereby certify that the foregoing Resolution was passed, approved and adopted at a regular meeting of the City Council of the City of Diamond Bar held on the 16th day of January, 2024, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAINED:	COUNCIL MEMBERS:

____
Kristina Santana, City Clerk



Los Angeles County
Caltrans District 7

Study Intersections
City Boundary

Vicinity Map

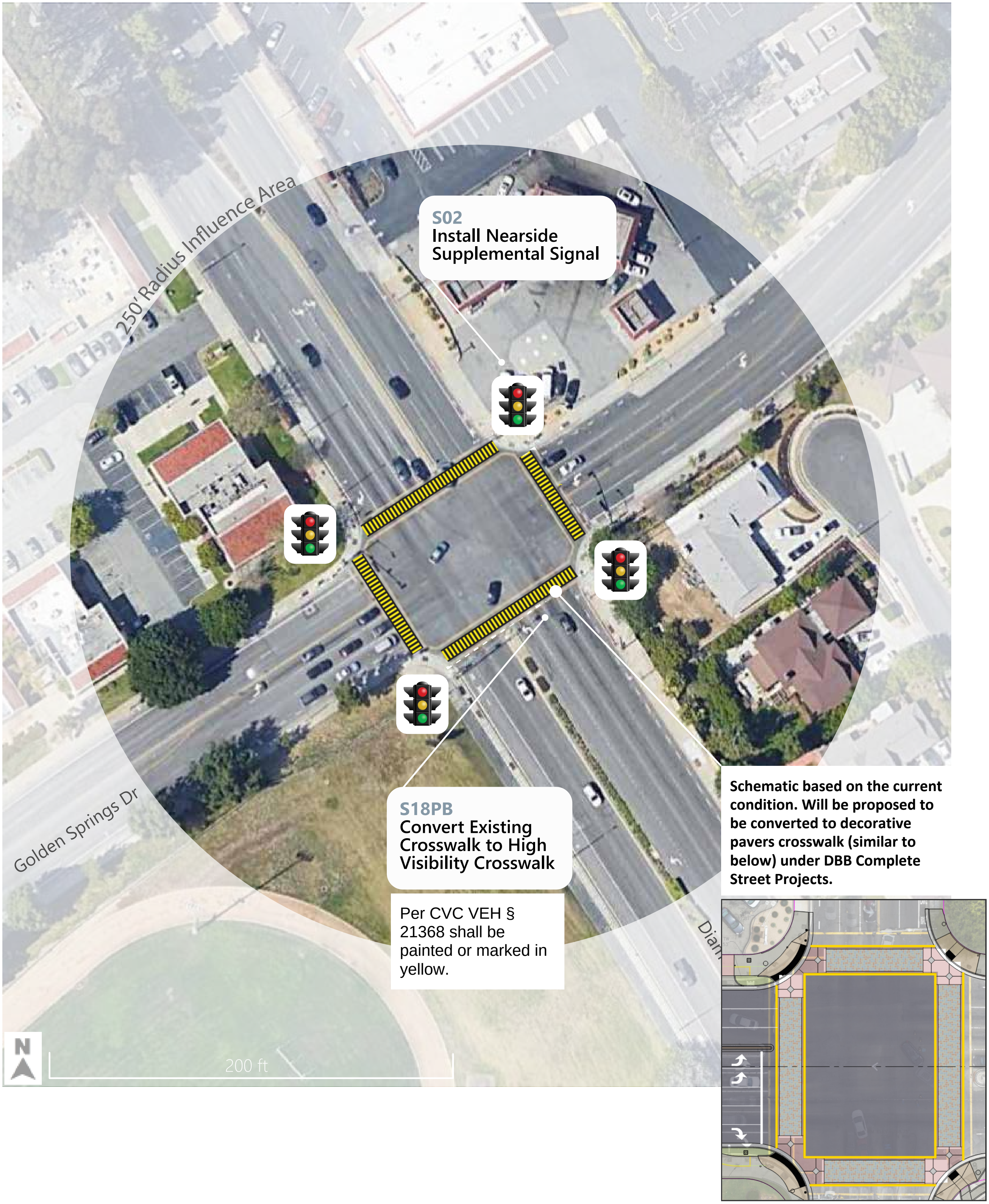
S02: Installation of supplemental near-side signal heads

Similar to the new installation on Grand Ave and Golden Springs Dr.

S17PB: Install pedestrian countdown signal heads

For illustration only, not the actual Installation.

S18PB: Install High Visibility Pedestrian Crossing as shown on the schematic maps on the following pages.



Location

Diamond Bar Boulevard and Golden Springs Drive

Figure

SI_1

Location

Diamond Bar Boulevard and Sunset Crossing Road

Figure

SI_2

CITY OF DIAMOND BAR CALIFORNIA

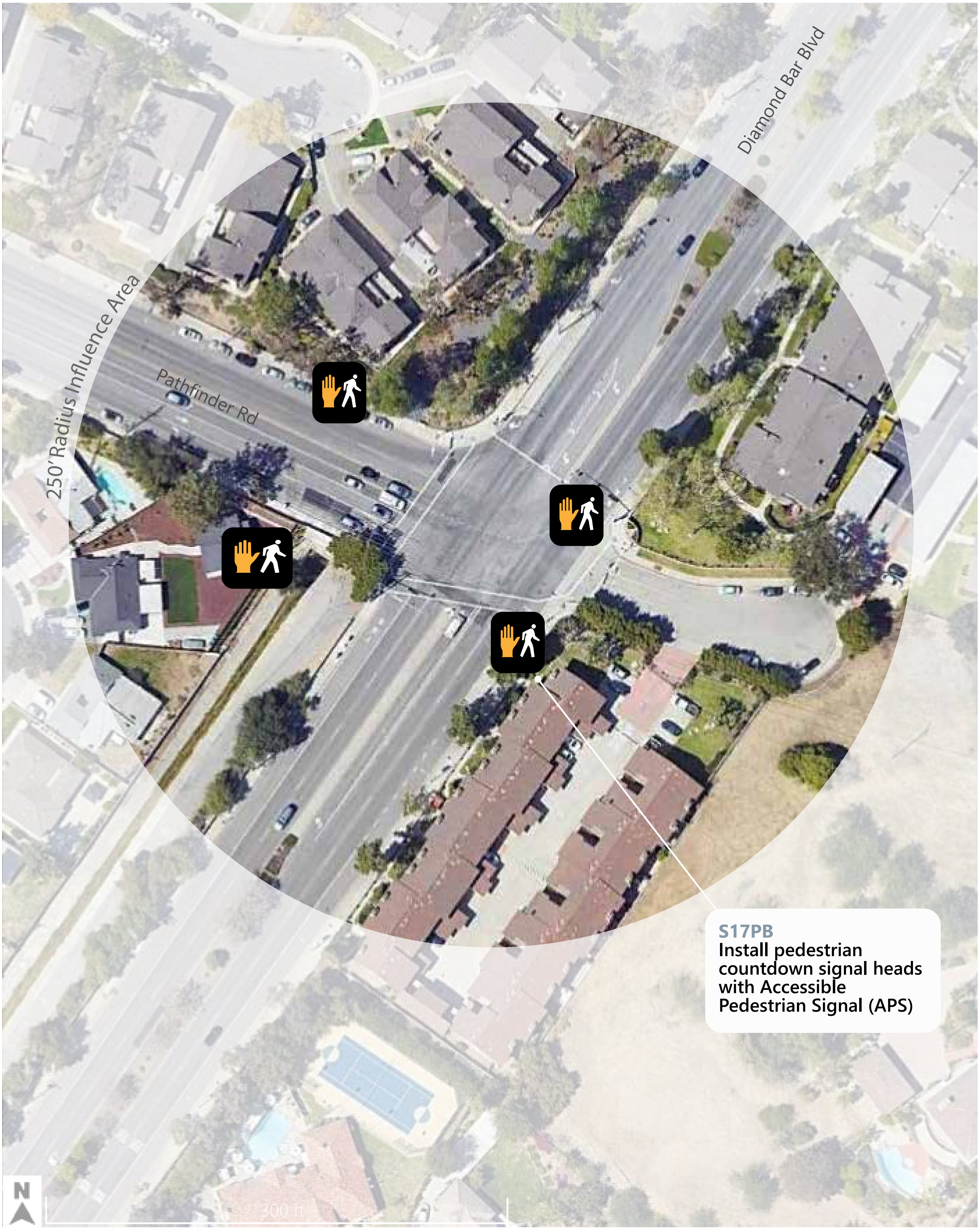
Location

Diamond Bar Boulevard and Grand Avenue

Figure

SI_3

CITY OF DIAMOND BAR CALIFORNIA

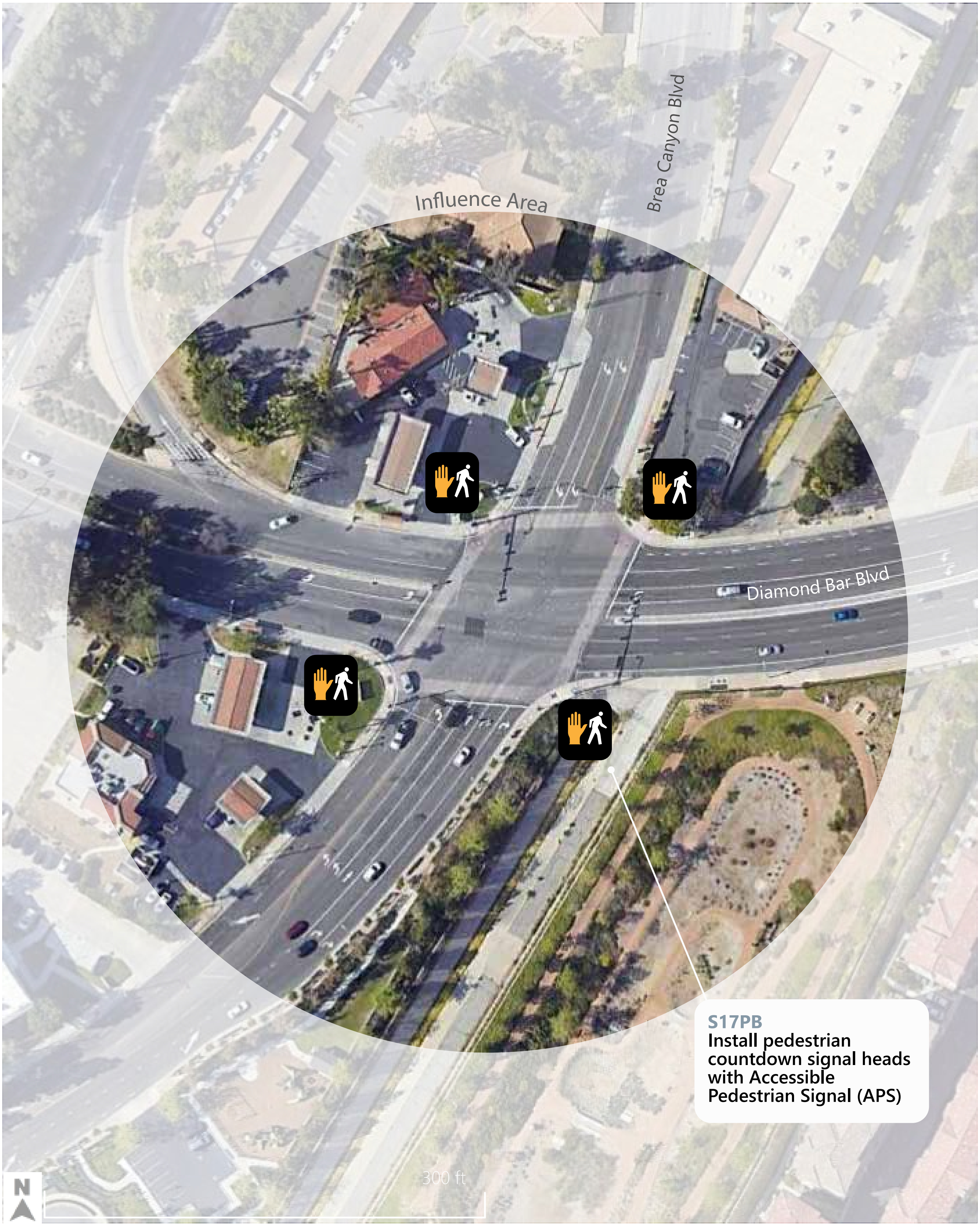


Location

Diamond Bar Boulevard and Pathfinder Road

Figure

SI_4



Location

Diamond Bar Boulevard and Brea Canyon Road

Figure

SI_5

CITY OF DIAMOND BAR CALIFORNIA

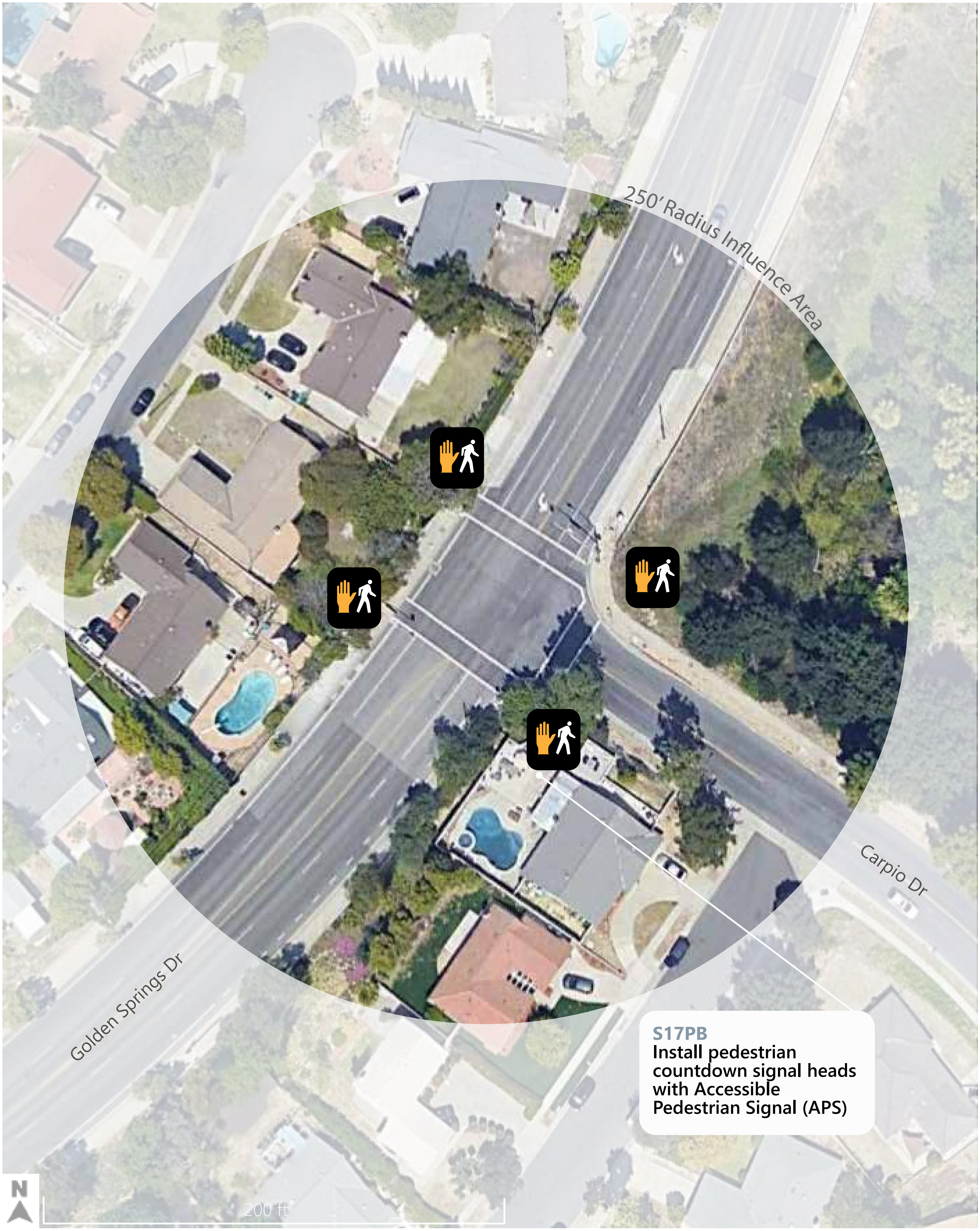
Location

Golden Springs Drive and Brea Canyon Road

Figure

SI_6

DIAMOND BAR



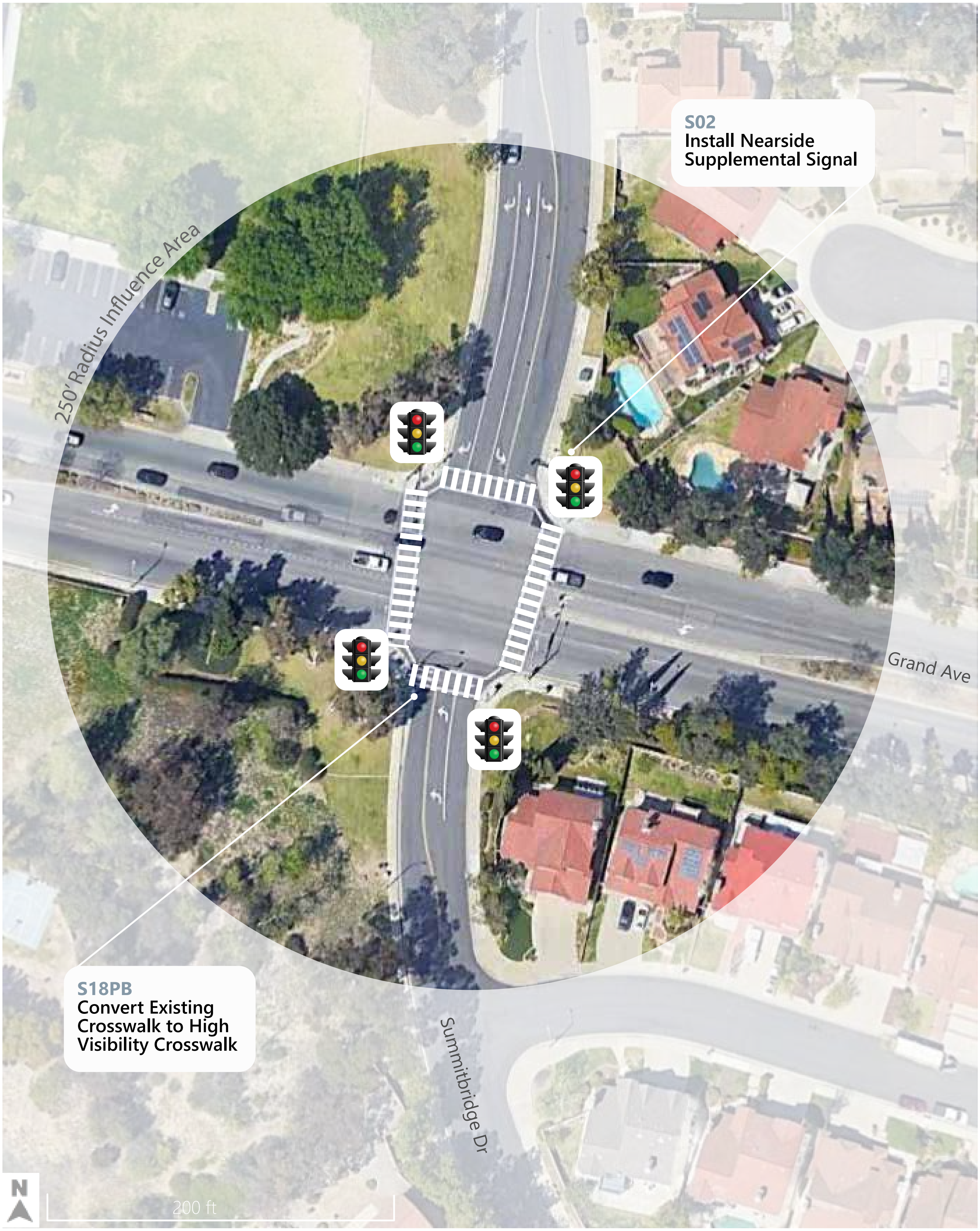
Location

Golden Springs Drive and Carpio Drive

Figure

SI_7

CITY OF DIAMOND BAR CALIFORNIA



Location

Grand Avenue and Summitridge Drive

Figure

SI_8

CITY OF DIAMOND BAR CALIFORNIA

Location

Brea Canyon Road and Pathfinder Road

Figure

SI_9

Agenda #: 6.1
Meeting Date: January 16, 2024

CITY OF DIAMOND BAR
INCORPORATED 1989

CITY COUNCIL AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Daniel Fox, City Manager

TITLE: **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM ALLOCATIONS FOR FISCAL YEAR 2024/2025.**

STRATEGIC GOAL: *Responsible Stewardship of Public Resources*

RECOMMENDATION:

A. Open the public hearing to receive public testimony;

B. Close the public hearing; and

C. Adopt Resolution No. 2024-02 approving the Community Development Block Grant Funding Allocations for Fiscal Year 2024/2025.

FISCAL IMPACT:

Fiscal Year 2024/2025 funding for the Community Development Block Grant (CDBG) Program is estimated at $332,376, and is received from the Federal Government on a reimbursement basis. Approval of the 2024/2025 CDBG funding allocations will be incorporated into the Fiscal Year 2024/2025 City Budget. The CDBG Program does not impact the City's General Fund budget.

BACKGROUND:

By way of a Cooperative Agreement, the City of Diamond Bar is one of 48 participating cities served by the Los Angeles County Development Authority (LACDA) CDBG Program. The CDBG Program was established through the Housing and Community Development Act of 1974. The primary goals of the CDBG program are to provide for the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Eligible CDBG projects are those that meet one of the following national objectives for the program:

- Benefiting low- and moderate-income persons;
- Addressing slums or blight; or
- Meeting a particular urgent community development need.

The projects must also fall within one of the eligible activity categories, which include acquisition of real property for an eligible use; acquisition, construction, and rehabilitation of public facilities; demolition and clearance of deteriorated buildings; community service for low- and moderate-income households; removal of barriers that restrict the mobility for elderly or disabled persons; or special economic development activities.

Funds may be used for a variety of community development activities, such as public services, ADA retrofit and improvements for parks, public works projects, and home improvement programs. The funds may only be used within low and moderate-income census tracts (of which the City has none) and/or to benefit low and moderate-income persons and/or presumed eligible persons (elderly or disabled).

Diamond Bar's preliminary funding allocation for Fiscal Year 2024/25 is $254,581. In addition to the annual allocation, $77,795 is estimated to be available from prior year unexpended funds. Total funding for the FY 2024/25 CDBG program is thus $332,376.

LACDA anticipates receiving notification of the final allocation from the U.S. Department of Housing and Urban Development (HUD) during the first quarter of 2024. The CDBG Program has experienced funding adjustments in prior years, so the City should be prepared to accommodate a federal funding adjustment that could affect LACDA's final allocations. In the event that the final allocation is higher or lower than this report's estimate by 25% or less, the draft resolution provides authorization for the City Manager to administratively adjust the individual program allocations. Should the final allocation differ from the estimate by more than 25%, City Council approval of any program allocation changes would be required.

The City's approved projects and budget must be submitted to the LACDA by February 1, 2024. Diamond Bar's projects and budget will ultimately become part of the Los Angeles County's CDBG program application to HUD.

Distribution of Funds

The City's allocation of CDBG funds is subject to the following distribution limits:

- **15%** of new allocations to support community service programs for eligible persons.

- **85%** of new allocations toward public works and housing projects that directly benefit eligible persons (e.g., ADA improvements for sidewalks and parks, and deferred loans for home improvements).

- Unallocated funds, including deferred loan repayments and carryovers from the prior fiscal year may be used to fund eligible public works and housing projects.

The cost of project administration and contract compliance services are charged on a project-based model which allows the City use CDBG funds to pay for costs associated with meeting the regulatory requirements on a per project basis. CDBG project administration is being implemented by City staff with assistance from the City's consultant, Diana Cho and Associates. Project management for the CDBG-funded Home Improvement Program is performed by FRJ & Associates on behalf of the City.

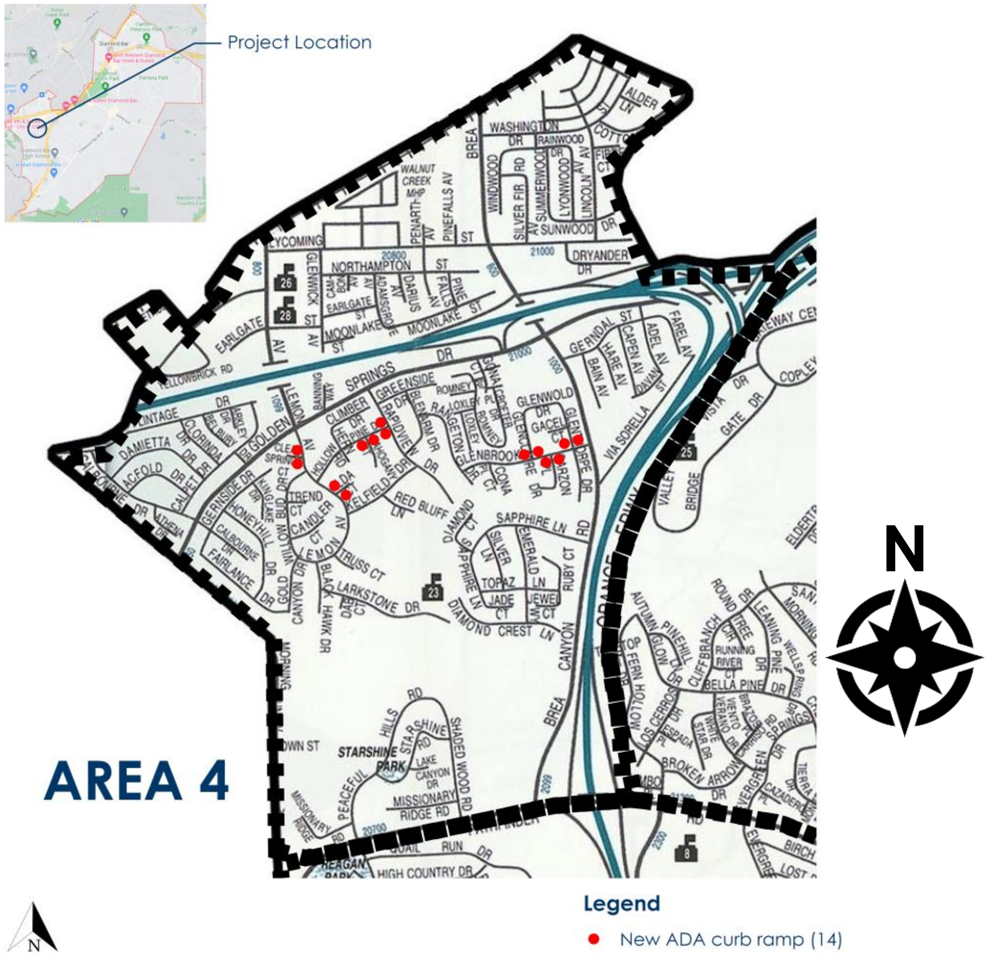
Current Fiscal Year 2023/24 CDBG Projects and Allocations ($335,699)

The programs funded for the current fiscal year, as amended, are summarized below:

- **Senior Programming** ($52,230) – These programs normally include information and referral, physical mobility classes, seminars, arts and crafts, game days, senior excursions, and special events, as well as partially subsidizing the salary of a Recreation Specialist. General Insurance has been purchased for the senior groups utilizing the Heritage Park Community Center and Diamond Bar Center. More than 500 seniors participate in the various programs and activities offered by the City.

- **Home Improvement Program (HIP)** ($138,005) – The HIP offers deferred loans to eligible low- and moderate-income homeowners of single-family detached housing for necessary home improvements, as well as repairs to mitigate building and safety code deficiencies and/or violations. The City's HIP policies provide interest-free, deferred loans of up to $30,000 to eligible households. Loans become payable when the homes are sold or refinanced. As of this writing, one project has been completed, one approved project is out to bid, one application is approved, and one application is under review. It is anticipated that five (5) projects will be approved by the end of the fiscal year.

- **Area 4 Residential Neighborhood ADA Curb Ramp Improvements Project** ($145,464) – Area 4 is generally bounded by the SPRR rail line at the City boundary with the City of Industry, Pathfinder Road to the north, the City boundary with the unincorporated community of Rowland Heights to the west, Pathfinder Road to the south, and the 57 Freeway to the east. The project is to provide ADA accessibility to existing sidewalks through the construction of ADA-compliant curb ramps at various locations where no curb ramps are presently provided. The project is currently in the design phase and is anticipated to construct up to 14 new ADA-compliant curb ramps.



DISCUSSION:

***Proposed* CDBG Projects and Allocations for FY 2024/25**

The recommended project funding for Fiscal Year 2024/25 is based on the applications submitted and the estimated availability of funds. The City provides support to the projects that receive funding with technical assistance and monitoring to ensure compliance. The City is responsible for overseeing the operations of all the subrecipient supported activities, including compliance with all applicable federal requirements and for monitoring the achievement of performance goals.

Federal regulations require CDBG funds to be allocated and expended within three (3) years. In addition, the LACDA strongly encourages participant cities to earmark all monies as soon as feasible.

As stated in the Background section of this report, the CDBG funding estimate for FY 2024/25 is $332,376. The breakdown for the estimated funds is as follows:

New annual allocation	$254,581
Prior year unallocated/reprogrammed funds	77,795
Total estimated CDBG funds for FY 2020/21	**$332,376**

Program Selection Process

On October 20, 2023, the City posted a notice on its website to inform organizations that it was accepting applications for program funding through November 17, 2022. Applications from the City, the City's five active senior clubs and the private nonprofit organization Heart of Hope were received during the application period to support the following programs and projects for the next fiscal year:

1. Senior Programs
2. Home Improvement Program
3. Area 5 Residential Neighborhood Curb Ramps
4. Services for children with special needs (Heart of Hope)

Heart of Hope subsequently withdrew its application because it found that the client families would be reluctant to disclose their household incomes. To be eligible for CDBG funding, at least 51% of the households served by such organizations cannot earn more than 120% of the Area Median Income, and must be verified through tax returns or payroll documentation.

Funds requested from the three remaining applications total $342,372, which is $9,996 more than the estimated available funds. The recommended distribution of CDBG monies to utilize the entire funding estimate is detailed below.

Public Services/Senior Programs

The public service funding cap is **$38,187**, or 15% of the estimated new CDBG annual allocation for FY 2024/25.

With Heart of Hope's withdrawal, the only application in this category is for funding to support senior programming. The City's senior programs are administered through the Parks and Recreation Department. The City Council has previously approved a portion of the annual CDBG funding to be allocated to the Senior Programs budget.

As in prior years, the Senior Programs application proposes to accommodate several of the activities and supplies as requested by the Diamond Bar Senior Citizens Club, Diamond Bar Evergreen Senior Association, Sunshine Seniors Association, Diamond Age Senior Club, and Super Diamond Age Senior Club. The application also requests reimbursement for a portion of the City's Senior Program Coordinator's hours spent administering the programs, as well as for supplies and insurance purchased to host events at the Diamond Bar Center.

Parks and Recreation is requesting $37,372 (see Attachment 2) to offset senior programming expenses. The amount requested would leave the estimated allocation for this category with a surplus of $815.

Recommendation

With no other competing proposals in the Public Services category, it is recommended that the entire FY 2024/2025 funding estimate of $38,187 be allocated to Senior

Programs. This amount will cover supplies, liability insurance, CDBG project administration consultant costs and a portion of the Recreation Specialist salary.

Public Works and Housing

The allocation for Public Works and Housing projects includes $216,394 from the estimated FY 2024/2025 allocation (i.e., 85% of $254,581) and $77,795 in unallocated CDBG funds accumulated from project savings and loan repayments, for a total of **$294,189**.

Staff received two applications for funding from this category, which are included in Attachment 2:

1. The Diamond Bar Public Works Department requests $145,000 for the Area 5 Residential Neighborhood ADA Curb Ramps Improvement Project.

2. The Diamond Bar Community Development Department requests $160,000 for the Home Improvement Program.

The total funding requested from these two applications is thus $305,000, or $10,811 in excess of the estimated funding available in this category.

- *Area 5 Residential Neighborhood ADA Curb Ramp Improvements Project*

  Area 5 is bounded by the Pomona Freeway (SR 60), Diamond Bar Boulevard, and the neighborhoods generally to the north and west of Armitos Place and Highcrest Drive. The project is to provide ADA accessibility to existing sidewalks through the construction of ADA-compliant curb ramps at various locations where no curb ramps are presently provided. The application requests $145,000 to construct nine (9) curb ramps to comply with the latest ADA requirements, as well as CDBG administration costs.

- *Home Improvement Program*

  As stated, the HIP provides deferred zero-interest loans of up to $30,000 to eligible low and moderate-income homeowners for necessary home improvements as well as repairs to mitigate building and safety code deficiencies and/or violations. The requested allocation of $160,000 would accommodate at least five (5) loans, including program administration funds for the HIP consultant.

Recommendation

Because estimated funds are not available to fully fund these two requests, it is recommended that CDBG funding in the Public Works and Housing category be allocated as follows:

Area 5 Curb Ramp Project	$ 139,189
Home Improvement Program	$ 155,000
Total	**$ 294,189**

SUMMARY OF RECOMMENDATIONS:

Total funding available for CDBG programs during the upcoming fiscal year is estimated to be $332,376. The funding requests received total $342,372, or $9,996 in excess of the estimated allocation. It is therefore recommended that the City Council approve the following distribution of funds, the total of which is equal to the estimated allocation:

FISCAL YEAR 2024/25 CDBG PROGRAM ALLOCATION RECOMMENDATIONS			
PUBLIC SERVICES			
Senior Programs	*$38,187*		
Public Services Subtotal		$38,187	
PUBLIC WORKS & HOUSING			
Area 5 ADA Curb Ramp Improvements	*$139,189*		
Home Improvement Program	*$155,000*		
Public Works & Housing Subtotal		$294,189	
TOTAL CDBG FUNDING RECOMMENDATION FOR FY 2024/25			$332,376
ESTIMATED FY 2024/25 FUNDS AVAILABLE			**$332,376**

PREPARED BY:

Greg Gubman

Greg Gubman, Community Development Director 1/16/2024

REVIEWED BY:

Greg Gubman

Greg Gubman, Community Development Director 1/2/2024

Attachments:

1. 6.1.a Resolution No. 2024-02 - FY 2024/25 CDBG Allocations
2. 6.1.b FY 2024/2025 CDBG Program Applications

RESOLUTION NO. 2024-02

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DIAMOND BAR, CALIFORNIA, APPROVING THE CITY'S COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FOR FISCAL YEAR 2024/2025.

WHEREAS, On August 22, 1974, the President of the United States signed into law the Housing and Community Development Act of 1974 (Act); and

WHEREAS, the primary goals of Title 1 of the Act are the development of viable urban communities by providing decent housing and a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income; and

WHEREAS, the City of Diamond Bar has received notification of the availability of $254,581 in Fiscal Year 2024/2025 Federal Community Development Block Grant (CDBG) funds to further the attainment of these goals; and

WHEREAS, the City has an estimated amount of $77,795 in unallocated CDBG funds accumulated from project savings and deferred loan repayments; and

WHEREAS, the combined total of $332,376 in CDBG funds is available to use for FY 2024/2025 projects; and

WHEREAS, applications have been submitted from community organizations and City Departments for the utilization of these funds; and

WHEREAS, the City has published information regarding eligible activities under the Act and met with all interested groups and conducted a public hearing to solicit comments and suggestions from the community for the utilization of these funds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Diamond Bar as follows:

Section 1. The funding allocation for the 2024/2025 Program year shall be:

PUBLIC SERVICE		**$38,187**
Senior Programming	$38,187	
PUBLIC WORKS AND HOUSING		**$294,189**
Home Improvement Program (HIP)	$155,000	
Area 5 Residential Neighborhood ADA Curb Ramps Improvements Project	$139,189	

Section 2. The City Manager is authorized and directed to submit the City's final Planning Summary for Fiscal Year 2024/2025 to the County of Los Angeles, reflecting the funding allocations set forth herein. Should the City's final allocation increase or decrease by twenty-five percent (25%) or less from the figures contained herein, including proceeds from HIP loan repayments, the City Manager is authorized to administratively adjust (i.e., increase or decrease) the revised funds to eligible activities as necessary. Should the final allocation differ by more than 25%, adjustments to fund allocations shall be subject to City Council review and approval.

Section 3. The City Manager is authorized to execute the contractual and related documents to be prepared by the County of Los Angeles that are required for the implementation of the projects/programs set forth herein.

Section 4. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED, AND ADOPTED this 16th day of January, 2024.

CITY OF DIAMOND BAR

____
Stan Liu, Mayor

ATTEST:

I, Kristina Santana, City Clerk of the City of Diamond Bar, California, do hereby certify that the foregoing Resolution was duly and regularly passed, approved and adopted by the City Council of the City of Diamond Bar, California at its regular meeting held on the 16th day of January, 2024, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAINED:	COUNCIL MEMBERS:

____
Kristina Santana, City Clerk

CITY OF DIAMOND BAR CALIFORNIA

MEMORANDUM

To: Diana Cho, CDBG Consultant

From: Christy Murphey, Recreation Superintendent CM

cc: Ryan Wright, Parks and Recreation Director

Date: November 17, 2023

Re: CDBG Recommended Allocation for Senior Programs – 2024/25 Fiscal Year

Parks and Recreation staff have reviewed the requests submitted for the allocation of CDBG funds for the 2024/25 FY and recommends the following allocation:

1. City Senior Program:

a. Program Supplies	$2,772.00
b. Recreation Specialist salary	$34,600.00
	$37,372.00

Note: Remainder of City Senior Programs costs will be submitted in the proposed 2024/25 FY General Fund budget for review and consideration.

2. Liability Insurance for six Senior Clubs $6,000.00

Diamond Bar Senior Citizens Club
Diamond Bar Evergreen Senior Association
Sunshine Seniors Association
Diamond Age Senior Club
Super Diamond Age Senior Club
Federation of Hindus Association

Note: CDBG funds for senior organizations are held by the City and paid as reimbursement after required documentation demonstrates CDBG eligibility of expenses.

Grand Total Recommended Senior Allocation: $43,372.00

CITY OF DIAMOND BAR
COMMUNITY DEVELOPMENT BLOCK GRANT
REQUEST FOR PROPOSALS
2024-2025 PROGRAM YEAR

Funding is contingent upon the project's eligibility under the 1974 Housing and Community Development Act as amended and City Council approval. This application must be completed, and supplemental information regarding the organization and proposed project may be attached. The minimum funding request is $10,000 per project.

APPLICATION DEADLINE: Friday, November 17, 2023 3:00 p.m.

APPLICATION SUMMARY

Organization: City of Diamond Bar

Project Name: Senior Programming Amount Requested: $43,372.00

Location of Project: Diamond Bar Center, 1600 Grand Ave., Diamond Bar, CA 91765

Funds would be used to: Conduct educational and social programs to enrich the lives of local seniors. These would include but not limited to: seminars, workshops, classes, special events, and excursions.

GENERAL INFORMATION

Organization Address: 21810 Copley Drive City: Diamond Bar

Telephone/Fax Number: 909.839.7074 E-mail Address: cmurphey@diamondbarca.gov

Contact Person/Title: Christy Murphey, Recreation Superintendent

Officials authorized to represent organization and expend funds:

Name: Andrew Chou Title: Mayor

Name: Dan Fox Title: City Manager

Federal I.D Number/Non-Profit Status: 95-4210629

This application is proposing a new ___ existing X Project. (Check).

Has the project received past funding from the City of Diamond Bar? **YES**

If yes, please identify the year/amount and source of funding: Funded annually, most recently FY 2023/2024

GOALS AND OBJECTIVE OF PROJECT

Provide a detailed description of the proposed project by describing precisely what is to be accomplished with the requested funds.

Provide Senior programming for up to 385 persons per day. Develop and conduct a variety of recreational and informational classes, seminars, workshops, and events which meet the diverse needs of the seniors in Diamond Bar.

Describe the specific purpose of the project; identify the problems the project is intended to solve, and the age group of those to be served.

Meet the human services and recreational needs of a senior population with diverse cultural backgrounds. Age groups to be served are 55 and over.

Identify and describe the geographic boundaries of the target area. (Attach a map if appropriate).

Primary services area is Diamond Bar. Neighboring communities are serviced as well.

PROJECT CLIENT PROFILE

Diamond Bar clients assisted in previous year: 34,639 client contacts

Diamond Bar clients assisted which meet the low/moderate income requirements: **Presumed benefit.**

Diamond Bar clients expected to be assisted in new project year: 350 Clients and 30,000 Client Contacts

Describe the characteristics of client population in target area, including age, sex, income level, and ethnic background. Relate how the project will meet the federal requirements of benefiting low/moderate income persons.

The characteristics of client population in target area are seniors aged 55 and over. It is a mixed population by gender, however predominately female. The income level is presumed low to moderate and the ethnic background is 59% Asian and Pacific Islander, 27% White, 4% Black, 4% 2+ races and 6% other (including 80% non-Hispanic or Latino and 20% Hispanic or Latino).

Is your organization familiar with the CDBG electronic client data requirements? **YES**

Is your organization familiar with the CDBG reporting requirements? **YES**

FINANCIAL INFORMATION

Please attach a proposed budget of the project. Include all items that CDBG funds are being requested to be used for. Include all other sources of funding and the total budget of the organization.

I hereby certify that if funds are granted to our organization they will be used to benefit low and low/moderate income residents of the City of Diamond Bar. We understand that the formal agreement with the City will define other reporting provisions and federally required assurances.

Signature: Christy Murphey

Title: Recreation Superintendent

Date: 11·17·2023

CITY OF DIAMOND BAR
Recreation Specialist/Senior Club Insurance
Senior Program Supplies
Budget Discussion
FY 2024/2025

PROJECTED GENERAL FUND EXPENDITURES				**$ 31,783.18**
PROJECTED REVENUE				**$ -**
CDBG REQUEST				**$ 43,372.00**
PROJECTED PROGRAM COST				**$ 75,155.18**
PROJECTED PROGRAM COST DIFFERENCE				**$ 31,783.18**
PERSONNEL SERVICES- CDBG			**$ 62,883.18**	
Salary	225-225440-50010	$34,600.00		
Salary - General Fund		$28,283.18		
			$ 12,272.00	
6 Clubs Liability Insurance	225-225440-54900	$ 6,000.00		
Program Supplies	225-225440-51200*	$ 2,772.00		
Program Supplies	100-100520-51200	$ 3,500.00		

Schedule C

CITY OF DIAMOND BAR
COMPENSATION PLAN BY POSITION
FY 2023 - 2024
FULL-TIME NON-EXEMPT BENEFITED POSITIONS

GRADE	CLASSIFICATION	A	B	C	D	E	F	G
6NE	Maintenance Worker	$22.01	$23.11	$24.27	$25.48	$26.75	$28.09	$29.49
		$1,760.77	$1,848.80	$1,941.24	$2,038.31	$2,140.22	$2,247.23	$2,359.59
		$3,814.99	$4,005.74	$4,206.03	$4,416.33	$4,637.15	$4,869.01	$5,112.46
		$45,779.92	$48,068.91	$50,472.36	$52,995.98	$55,645.78	$58,428.06	$61,349.47
7NE	Recreation Specialist	$22.56	$23.69	$24.87	$26.12	$27.42	$28.79	$30.23
	Senior Office Specialist	$1,804.78	$1,895.02	$1,989.77	$2,089.26	$2,193.73	$2,303.41	$2,418.58
	55% of $62,883.18 (Step G) is $34,585.75.	$3,910.37	$4,105.88	$4,311.18	$4,526.74	$4,753.07	$4,990.73	$5,240.26
		$46,924.40	$49,270.62	$51,734.15	$54,320.85	$57,036.90	$59,888.74	$62,883.18
10NE	Senior Maintenance Worker	$24.29	$25.51	$26.78	$28.12	$29.53	$31.01	$32.56
		$1,943.56	$2,040.73	$2,142.77	$2,249.91	$2,362.40	$2,480.52	$2,604.55
		$4,211.04	$4,421.59	$4,642.67	$4,874.80	$5,118.54	$5,374.47	$5,643.19
		$50,532.46	$53,059.08	$55,712.04	$58,497.64	$61,422.52	$64,493.65	$67,718.33
14NE	Administrative Assistant	$26.82	$28.16	$29.57	$31.04	$32.60	$34.23	$35.94
	Permit Technician	$2,145.32	$2,252.59	$2,365.22	$2,483.48	$2,607.65	$2,738.04	$2,874.94
		$4,648.20	$4,880.61	$5,124.64	$5,380.87	$5,649.92	$5,932.41	$6,229.03
		$55,778.39	$58,567.31	$61,495.67	$64,570.46	$67,798.98	$71,188.93	$74,748.38
17NE	Accounting, HR, Network/Systems,	$28.88	$30.32	$31.84	$33.43	$35.10	$36.86	$38.70
	Planning, Engineering Technician	$2,310.28	$2,425.79	$2,547.08	$2,674.44	$2,808.16	$2,948.56	$3,095.99
	Recreation Coordinator	$5,005.60	$5,255.88	$5,518.68	$5,794.61	$6,084.34	$6,388.56	$6,707.98
	Senior Administrative Assistant	$60,067.22	$63,070.58	$66,224.11	$69,535.31	$73,012.08	$76,662.68	$80,495.82
	Public Works Inspector							
18NE	Neighborhood Improvement Officer	$29.60	$31.08	$32.63	$34.27	$35.98	$37.78	$39.67
	Media Specialist	$2,368.03	$2,486.44	$2,610.76	$2,741.30	$2,878.36	$3,022.28	$3,173.39
		$5,130.74	$5,387.28	$5,656.64	$5,939.47	$6,236.45	$6,548.27	$6,875.68
		$61,568.88	$64,647.33	$67,879.69	$71,273.68	$74,837.36	$78,579.23	$82,508.19
19NE	Facilities & Asset Maintenance Tech.	$30.34	$31.86	$33.45	$35.12	$36.88	$38.72	$40.66
		$2,427.23	$2,548.60	$2,676.03	$2,809.83	$2,950.32	$3,097.84	$3,252.73
		$5,259.01	$5,521.96	$5,798.06	$6,087.96	$6,392.36	$6,711.98	$7,047.58
		$63,108.11	$66,263.51	$69,576.69	$73,055.52	$76,708.30	$80,543.71	$84,570.90
21NE	Administrative Coordinator	$31.88	$33.47	$35.14	$36.90	$38.75	$40.68	$42.72
	Executive Assistant	$2,550.11	$2,677.62	$2,811.50	$2,952.07	$3,099.68	$3,254.66	$3,417.40
	Accountant	$5,525.25	$5,801.51	$6,091.58	$6,396.16	$6,715.97	$7,051.77	$7,404.36
	Permit Services Coordinator	$66,302.95	$69,618.09	$73,099.00	$76,753.95	$80,591.65	$84,621.23	$88,852.29
23NE	Assistant Engineer	$33.49	$35.16	$36.92	$38.77	$40.71	$42.74	$44.88
	Assistant Planner	$2,679.21	$2,813.17	$2,953.83	$3,101.52	$3,256.60	$3,419.43	$3,590.40
	Sr. Neighborhood Improvement Officer	$5,804.96	$6,095.21	$6,399.97	$6,719.97	$7,055.97	$7,408.77	$7,779.21
		$69,659.55	$73,142.53	$76,799.66	$80,639.64	$84,671.62	$88,905.21	$93,350.47

Effective July 1, 2023
Approved by City Council on June 6, 2023

CITY OF DIAMOND BAR
COMMUNITY DEVELOPMENT BLOCK GRANT
REQUEST FOR PROPOSALS
2024-2025 PROGRAM YEAR

Funding is contingent upon the project's eligibility under the 1974 Housing and Community Development Act as amended and City Council approval. This application must be completed, and supplemental information regarding the organization and proposed project may be attached. The minimum funding request is $10,000 per project.

APPLICATION DEADLINE: Friday, November 17, 2023 3:00 p.m.

APPLICATION SUMMARY

Organization: City of Diamond Bar

Project Name: Home Improvement Amount Requested: $160,000

Location of Project: 21800 Copley Drive

Funds would be used to: Provide grants and/or deferred loans to eligible low and moderate income homeowners for necessary improvements as well as to mitigate building and safety violations.

GENERAL INFORMATION

Organization Address: 21810 Copley Dr. City: Diamond Bar

Telephone/Fax Number: (909) 839-7080 E-mail Address: vmoss@diamondbarCA.gov

Contact Person/Title: City Staff

Officials authorized to represent organization and expend funds:

Name: ______ Title: ______

Name: ______ Title: ______

Federal I.D Number/Non-Profit Status: N/A

This application is proposing a new ___ existing X Project. (Check).

Has the project received past funding from the City of Diamond Bar? Yes

If yes, please identify the year/amount and source of funding: 2023-2024/$138,005

GOALS AND OBJECTIVE OF PROJECT

Provide a detailed description of the proposed project by describing precisely what is to be accomplished with the requested funds.

The objective of the Home Improvement Program is to provide grants and loans to assist low and moderate-income residential owner/occupants in maintaining the City's existing residential neighborhoods through home rehabilitation.

Describe the specific purpose of the project; identify the problems the project is intended to solve, and the age group of those to be served.

The purpose of the Home Improvement Program is to preserve and enhance single family residential neighborhoods through out the City; to provide loans to eligible homeowners of single family detached dwellings for the preservation of safe, decent and sanitary housing; correct hazardous structural conditions; to make modifications necessary to provide ADA access to dwellings; to improve the overall exterior appearance of the home to eliminate blight; and correct exterior code violations, through the provision of loans. The Home Improvement Program is not directed toward a specific age group, but rather to eliminate blight and maintain affordable housing stock for low and moderate-income residents.

Identify and describe the geographic boundaries of the target area. (Attach a map if appropriate).

Citywide.

PROJECT CLIENT PROFILE

Diamond Bar clients assisted in previous year: 22/23-4 23/24- 3-4 projected

Diamond Bar clients assisted which meet the low/moderate income requirements: All

Diamond Bar clients expected to be assisted in new project year: 24/25- 3-4

Describe the characteristics of client population in target area, including age, sex, income level, and ethnic background. Relate how the project will meet the federal requirements of benefiting low/moderate income persons.

Is your organization familiar with the CDBG electronic client data requirements? Yes

Is your organization familiar with the CDBG reporting requirements? Yes

FINANCIAL INFORMATION

Please attach a proposed budget of the project. Include all items that CDBG funds are being requested to be used for. Include all other sources of funding and the total budget of the organization.

Proposed HIP Budget (2024-2025)	$160,000
Estimated Construction Cost	$121,500
Lead/Asbestos Testing	$ 5,000
Title Report Fees	$ 1,500
Rehabilitation Administration	$ 32,000

I hereby certify that if funds are granted to our organization they will be used to benefit low and low/moderate income residents of the City of Diamond Bar. We understand that the formal agreement with the City will define other reporting provisions and federally required assurances.

Signature: Vivian J. Moss

Title: Housing Rehabilitation Coordinator

Date: 11/1/23

CITY OF DIAMOND BAR
COMMUNITY DEVELOPMENT BLOCK GRANT
REQUEST FOR PROPOSALS
2024-2025 PROGRAM YEAR

Funding is contingent upon the project's eligibility under the 1974 Housing and Community Development Act as amended and City Council approval. This application must be completed, and supplemental information regarding the organization and proposed project may be attached. The minimum funding request is $10,000 per project.

APPLICATION DEADLINE: Friday, November 17, 2023 3:00 p.m.

APPLICATION SUMMARY

Organization: City of Diamond Bar

Project Name: Area 5 Residential Neighborhood ADA Curb Ramps Improvements Project

Amount Requested: $145,000

Location of Project: Various locations within the City's 'Area 5' neighborhood

Funds would be used to: Construct nine new or upgraded ADA-compliant sidewalk curb ramps in the Area 5 residential neighborhood

GENERAL INFORMATION

Organization Address: 21810 Copley Dr

City: Diamond Bar

Telephone/Fax Number: (909) 839-7038

E-mail Address: mbhatanawin@diamondbarca.gov

Contact Person/Title: Michael Bhatanawin, P.E. - Associate Engineer

Officials authorized to represent organization and expend funds:

Name: David G. Liu, P.E. Title: Director of Public Works/City Engineer

Name: Title:

Federal I.D Number/Non-Profit Status: N/A

This application is proposing a new x ___ existing ________ Project. (Check).

Has the project received past funding from the City of Diamond Bar? No

If yes, please identify the year/amount and source of funding: N/A

GOALS AND OBJECTIVE OF PROJECT

Provide a detailed description of the proposed project by describing precisely what is to be accomplished with the requested funds.

The proposed project would utilize Community Development Block Grant (CDBG) funds for the project construction phase of new or upgraded handicapped accessible sidewalk curb ramps at various locations within the Area 5 residential neighborhood (Area) as shown in the attached Exhibit "A". The curb ramps will be constructed to meet current standards of the Americans with Disabilities Act (ADA). Nine ADA-compliant sidewalk curb ramps will be built in the Area at various locations where currently there is not a ramp or the existing ramp is not compliant with the current standards. The constructed ramps will provide handicapped access and a safer environment to the public.

Describe the specific purpose of the project; identify the problems the project is intended to solve, and the age group of those to be served.

As recommended in the ADA Self Evaluation, this project is part of the City's efforts to upgrade all non-ADA-compliant curb ramps citywide. The project would provide for the construction of curb ramps where no curb ramps currently exist and the reconstruction of curb ramps that are too steep, deteriorated, not wide enough, or create other accessibility barriers for severely disabled members of the public that use wheelchairs, canes, walkers or crutches.

Identify and describe the geographic boundaries of the target area. (Attach a map if appropriate).

The project target area is located within Area 5 Residential Neighborhood as shown in the attached Exhibit "A". The proposed locations of the ramps are marked in the map.

PROJECT CLIENT PROFILE

Diamond Bar clients assisted in previous year: N/A (This is new project)

Diamond Bar clients assisted which meet the low/moderate income requirements: General public

Diamond Bar clients expected to be assisted in new project year: General public

Describe the characteristics of client population in target area, including age, sex, income level, and ethnic background. Relate how the project will meet the federal requirements of benefiting low/moderate income persons.

Is your organization familiar with the CDBG electronic client data requirements? Yes

Is your organization familiar with the CDBG reporting requirements? Yes

FINANCIAL INFORMATION

Please attach a proposed budget of the project. Include all items that CDBG funds are being requested to be used for. Include all other sources of funding and the total budget of the organization.

See attached Exhibit 'B' for project budget

I hereby certify that if funds are granted to our organization they will be used to benefit low and low/moderate income residents of the City of Diamond Bar. We understand that the formal agreement with the City will define other reporting provisions and federally required assurances.

Signature:

Title: Director of Public Works/City Engineer

Date: 11/15/2023

Legend

● New ADA curb ramp (9)

Exhibit "A"
CDBG Curb Ramp Locations
FY 2024-2025

CITY OF DIAMOND BAR CALIFORNIA

DEPARTMENT OF PUBLIC WORKS

EXHIBIT "B"

CITY OF DIAMOND BAR
COMMUNITY DEVELOPMENT BLOCK GRANT
REQUEST FOR PROPOSALS
2024-2025 PROGRAM YEAR

PRELIMINARY COST ESTIMATE FOR 2024-2025 CDBG PROGRAM CURB RAMP INSTALLATION

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL COST
1	NEW ADA CURB RAMPS	9	EACH	$13,300	$119,700
				CDBG ADMINISTRATIVE COST	$11,970
				SUBTOTAL	$131,670
				CONTINGENCY (10% OF SUBTOTAL)	$13,167
				TOTAL	$144,837
				SAY	**$145,000**

Agenda #: *7.1*
Meeting Date: *January 16, 2024*

CITY OF DIAMOND BAR INCORPORATED 1989

CITY COUNCIL AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Daniel Fox, City Manager

TITLE: **TRANSMITTAL OF THE FISCAL YEAR 2022/23 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR).**

STRATEGIC GOAL: *Responsible Stewardship of Public Resources*

RECOMMENDATION:

A. Receive and File the Fiscal Year 2022/23 Annual Comprehensive Financial Report;

B. Approve an appropriation of Unassigned General Fund Reserves in the amount of $76,000 to the OPEB Reserve Fund (105);

C. Approve an appropriation of Unassigned General Fund Reserves in the amount of $1,204,585 to the Park & Facility Development Fund (262); and

D. Approve an appropriation of Unassigned General Fund Reserves in the amount of $1,204,585 to the Building Maintenance & Replacement Fund (504).

FINANCIAL IMPACT:

The recommended action to appropriate funding in the amount of $76,000 to the OPEB Reserve fund, and $1,204,585 to both the Park & Facility Development Fund (262) and the Building Maintenance & Replacement Fund (504) will decrease the General Fund Unassigned Fund Balance by $2,485,170. The revised General Fund Unassigned Fund Balance will be $20,473,897.

BACKGROUND:

The Fiscal Year (FY) 2022/23 annual audit has been completed by the City's independent audit firm of Lance, Soll and Lunghard, LLP (LSL). The City's Finance Department, in concert with LSL, has prepared the FY 2022/23 Annual Comprehensive Financial Report (ACFR). The City's Audit Subcommittee, which is comprised of Mayor Stan Liu and Mayor Pro Tem Chia Yu Teng, met on January 10, 2024 with the City

Manager, Finance Director and an LSL representative to discuss the results of the audit.

In the opinion of LSL, the financial statements reflect fairly the financial position and results of operations for the fiscal year ended June 30, 2023. The auditors found no instances of material weaknesses in the City's internal controls and no instances of non-compliance with certain provisions of laws, regulations, contracts or grants, which could have a material effect on the determination of financial statement amounts. They also indicated that there were no disagreements with management in completing their audit.

The ACFR has been prepared in conformance with the requirements of the Government Accounting Standards Board (GASB) Statement No. 34. As a result, the report format includes the Management Discussion and Analysis, Required Supplementary Information, and the Government-wide Financial Statements which include the Statement of Net Position and Statement of Activities. A copy of the FY 2022/23 ACFR is included as Attachment 1.

ANALYSIS:

<u>Revenues</u>

Citywide revenues for FY 2022/23 from all sources (i.e., all funds) was $44.5 million, which exceeded last year's total by $5.3 million (or 13%).

General Fund revenues were $33.4 million, an increase of $3.5 million (or 12%) from the prior year, and consistent with the revised budget of $32.7 million. As with the prior year, $3.4 million in General Fund revenue is attributable to the receipt of a second, and final, installment of ARPA monies. The FY 2022/23 year-over-year increase of $3.5 million is thus primarily a result of revenue growth across key sources such as: property tax in lieu (increased $326 thousand), sales taxes (increased $471 thousand), transient occupancy taxes (increased $103 thousand), property taxes (increased $511 thousand), investment earnings (increased $1.1 million), the Diamond Bar Center (increased $330 thousand) and fees for services related to engineering, building & safety, and recreation classes (increased $375 thousand in aggregate).

<u>Expenditures</u>

Citywide expenditures for all City programs and activities in FY 2022/23 totaled $37.4 million, an increase of $3.9 million over the previous year. The FY 2022/23 budget was developed with the intention of restoring programs and services across the organization, in particular in the General Fund. As such, fiscal year budgeted and actual expenditures were higher in FY 2022/23 than in FY 2021/22. Specifically, the FY 2022/23 General Fund budget totaled $32.8 million compared to the FY 2021/22 revised budget of $30.5 million.

In addition to restoring programs and services, the City also increased its capital improvement program. In FY 2020/21, the City had to scale back its capital program due to reduced revenues largely tied to the pandemic. In FY 2021/22, the City's capital program increased from $3.5 million to $7.5 million. In FY 2022/23, the City's capital program increased from $7.5 million to $16.0 million. While much of the funding comes from grants and other restricted revenues, the growth nonetheless helps explain the increase in the overall spending that occurred generally throughout all categories.

General Fund Expenses – *Budgetary Comparison*

Total ***General Fund*** expenditures for FY 2022/23 were $29.0 million, an amount that was $4.7 million below the revised budget of $33.7 million. This budgetary savings is mostly attributed to unutilized funds appropriated for transfer-out in support other funds in the amount of $1.4 million (of which $1.3 million is needed to support on-going capital improvement projects and will be set aside for use in the current FY 2023/24). In addition to these savings, there was a combined savings of $1.9 million for contracted & professional services across all departments, of which $639 thousand has been carried over for re-appropriation in the current FY 2023/24 to meet ongoing contractual obligations (e.g. consultant services for the Town Center Specific Plan). Lastly, personnel and other operating expenditures came in $1.4 million less than budgeted.

General Fund Expenses – *Year-Over-Year Comparison*

Compared to the prior FY 2021/22, total **General Fund** expenses increased $1.9 million, mainly due to an increase of $585 thousand in contractual & professional services, an increase of $1.0 million in personnel and other operating expenses, and an increase of $263 thousand in transfer-out to other funds.

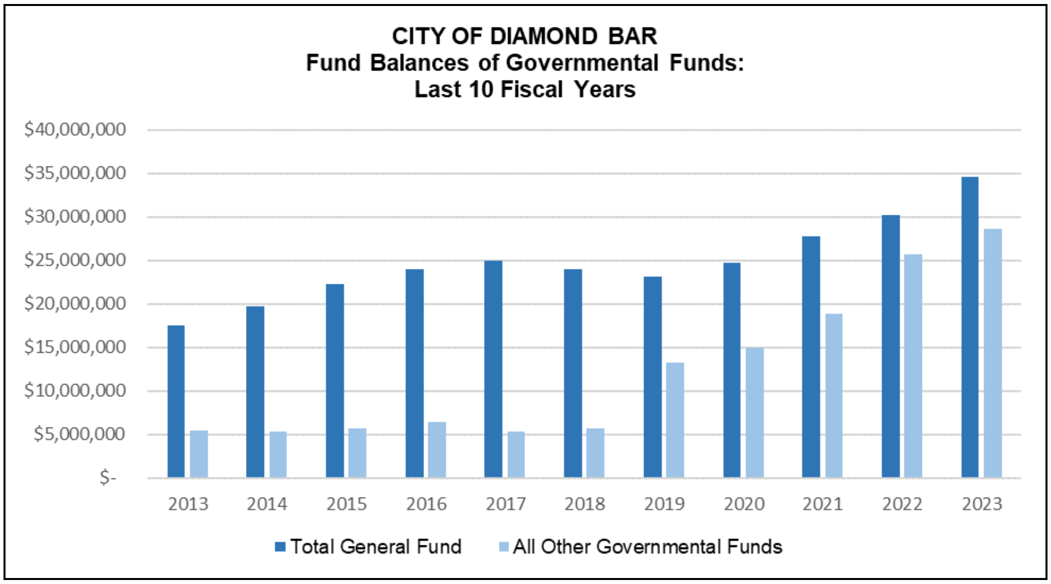
<u>Reserve Balances</u>

Taken in aggregate, fund balances for all governmental funds were $63.2 million at the end of FY 2022/23, an increase of $7.3 million compared to FY 2021/22. Of this total, $34.6 million in reserves belong to the City's General Fund which may be used to meet the City's ongoing obligations to its citizens and creditors.

CITY OF DIAMOND BAR
Changes in Governmental Fund Balance Reserves

Fund	FY 2022/23	FY 2021/22	Change
General Fund	$ 34,600,596	$ 30,226,704	$ 4,373,892
Other Governmental Funds	28,582,570	25,664,419	2,918,151
Totals	**$ 63,183,166**	**$ 55,891,123**	**$ 7,292,043**

The total General Fund reserve balance of $34.6 million represents an increase of $4.4 million compared to last year. This is a favorable result under any circumstances, but should be viewed with the understanding that this amount includes $1.2 million in savings generated by the second tranche of ARPA monies. A history of governmental fund balances for the prior 10 years is shown below. More information on reserve balances can be found in Note 11 of the ACFR and in the Statistical Section.



Reserve Funding

The FY 2022/23 ACFR includes the fund balance reserve reporting methodology set forth in GASB Statement No. 54. It is a long-term goal to of the City to build unrestricted reserve funds to provide flexibility, respond to emergencies, fund new projects and replace and maintain facilities, capital equipment and assets. Therefore, the City Council approved an updated Fund Balance and Reserves Policy on August 20, 2019 (Res. No. 2019-36) which established an amount of no less than 25% of General Fund expenditures as a formal commitment of fund balance to be set aside as an emergency contingency for Federal, State or Local emergencies. A copy of the Fund Balance and Reserves Policy is included as Attachment 2.

At June 30, 2023, the amount committed to emergency contingencies totals $7,981,243 (25% of the FY 2023/24 Adopted General Fund Budget). This amount is included within the $34.6 million General Fund reserve balance noted above and is highlighted separately in the below schedule which shows balances for key operating reserves.

CITY OF DIAMOND BAR
Highlighted Operating Fund Reserves

	Fiscal Year Ended June 30, 2023	2022	Change
General Fund			
Committed Reserves			
Contingency Reserve	$ 7,981,243	$ 7,864,770	$ 116,473
Assigned Reserves			
Community organization support	2,062	-	$ 2,062
OPEB Reserve	291,182	353,283	(62,101)
Technology Reserve	591,346	442,418	148,928
Capital Improvement Projects	1,308,920	-	1,308,920
Tres Hermanos Conservancy Reserve	6,910	20,726	(13,816)
General Plan Update Reserve	518,504	929,558	(411,054)
Law Enforcement Reserve	941,362	957,126	(15,764)
Unassigned Reserve	22,959,067	19,658,823	3,300,244
Total General Fund	**34,600,596**	**30,226,704**	**4,373,892**
Park Development Fund			
Park and Facility Reserve	1,567,641	873,636	694,005
Vehicle Maintenance & Replacement Fund			
Maintenance & Replacement Reserve	316,864	230,973	85,891
Building Maintenance & Replacement Fund			
Maintenance & Replacement Reserve	1,062,451	1,164,608	(102,157)
Computer Equipment Replacement Fund			
Equipment Replacement Reserve	2,032,428	1,068,686	963,742
Grand Totals	**$ 39,579,980**	**$ 33,564,607**	**$ 6,015,373**

As shown in the table above, as of June 30, 2023, the total Unassigned portion of the General Fund Reserve increased $3.3 million. Of this amount, $213 thousand has been carried over for re-appropriation in the current FY 2023/24 to meet ongoing contractual obligations, leaving a net increase of $3,087,463 available for funding other reserves pursuant to Section 5 of the aforementioned Fund Balance and Reserves Policy.

Other Post-Employment Benefits (OPEB) Fund

As required by GASB Statement No. 75, the ACFR includes disclosure of the City's Other Post-Employment Benefits (OPEB) liability. In connection with the retirement benefits for employees provided through California Public Employees Retirement System (CalPERS), the City provides post-retirement health care benefits to retirees through the CalPERS Health Benefits program. Although the retiree pays most of the cost of this benefit the City is required to pay a small portion of this cost – the City's OPEB obligation is derived from this benefit. The City's total OPEB obligation at June 30, 2023 was $1,260,651. However, when taking into account the City's OPEB trust fund balance of $645,436 (51% of liability) held with the California Employers' Retiree Benefit Trust (CERBT) the net liability reduces to $615,215. Additional funding in the amount of $291,182 (23% of liability) is also set aside in an OPEB Reserve fund held by the City for future contributions to the trust, for a total funding status of 74%, which is an increase from the 71% funding status as of the prior year ending June 30, 2022, and a significant improvement from the 57% funding status the year ending June 30, 2021.

This funding level is considered quite favorable when compared to other cities but still falls below the desired 80% funding status established in the City's Fund Balance and Reserves Policy. As a result, it is recommended that the City Council appropriate an additional $76,000 to the OPEB Reserve fund balance, bringing total assets to 80% of the liability. More information on OPEB may be found in Note 9 of the ACFR.

Park & Facility Development Fund and Building Facility & Maintenance Fund

A key provision (Section 5) of the Fund Balance and Reserves Policy sets forth that after the minimum requirements set forth in Section 4 of the policy have been met, any remaining surplus at the end of the year shall be allocated to three funds in order to provide for the long-term fiscal sustainability of the City. These allocations provide that 40% shall be transferred to the Park & Facility Development Fund, 40% shall be transferred to the Building Facility & Maintenance Fund and the remaining 20% shall be returned to the Unassigned General Fund Reserves. A remaining surplus in the amount of $3,011,463 is available for this allocation; therefore, it is recommended that the City Council appropriate $1,204,585 (40%) to both the Park & Facility Development Fund and to the Building Facility & Maintenance Fund consistent with the Fund Balance and Reserves Policy. As a result of all reserve funding recommendations, the General Fund Unassigned Fund Balance will be $20.5 million, a net increase of $815 thousand from the prior year.

Pension Liability

GASB Statement No. 68 requires the inclusion of Net Pension Liability in the Statement of Net Position. As of June 30, 2023, the City reported a total net pension liability of $7,903,769 (an increase from the prior year amount of $3,014,631). As of the most recent valuation date of June 30, 2022, the City's miscellaneous plan is approximately 75.7% funded, and the PEPRA Miscellaneous plan is 87.7% funded. These funding amounts reflect a decrease from the prior year funding amounts of 87.1% and 105.6%, respectively, and are solely the result of negative fluctuations in the market rate return of the statewide portfolio managed by CalPERS. More information on pensions may be found in Note 8 of the ACFR.

Excellence in Financial Reporting

The Finance Department has submitted the FY 2022/23 ACFR to the Government Finance Officers Association (GFOA) for consideration to receive the Certificate of Achievement for Excellence in Financial Reporting program. The City of Diamond Bar has been honored to receive this award for the past twenty-seven consecutive years.

PREPARED BY:

Jason Jacobsen

Jason Jacobsen, Finance Director 1/16/2024

REVIEWED BY:

Jason Jacobsen

Jason Jacobsen, Finance Director 1/10/2024

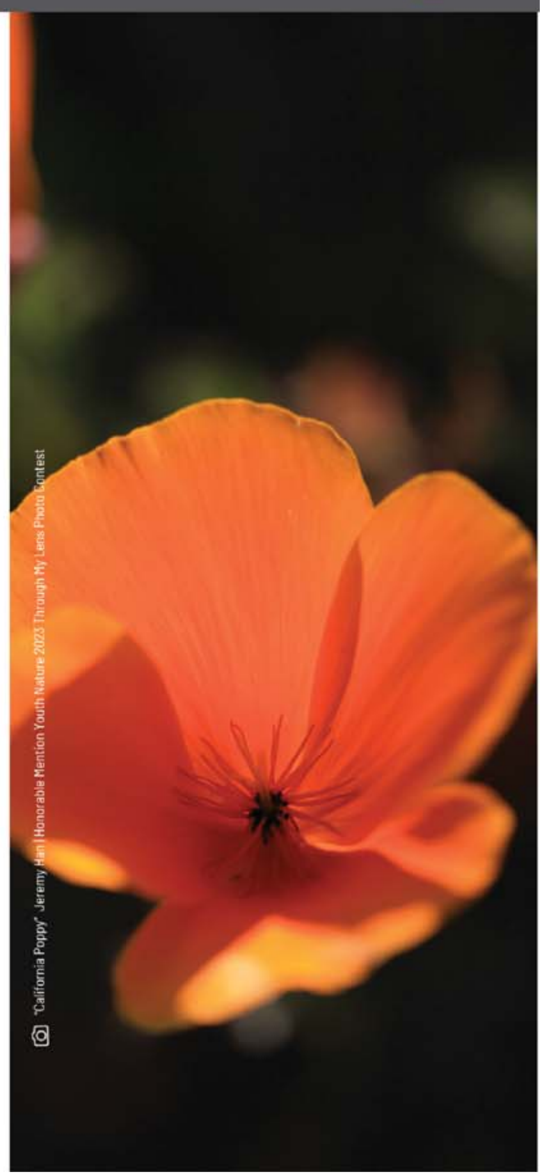
Attachments:

1. 7.1.a City of Diamond Bar FY 2022/23 ACFR
2. 7.1.b 2019-01 - Fund Balance and Reserves Policy

City of Diamond Bar, California

Annual Comprehensive Financial Report

Year ending June 30, 2023



CITY OF DIAMOND BAR, CALIFORNIA

Annual Comprehensive Financial Report

June 30, 2023

Prepared by:
Finance Department

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CITY OF DIAMOND BAR, CALIFORINA

Annual Comprehensive Financial Report

June 30, 2023

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Annual Comprehensive Financial Report

June 30, 2023

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CITY OF DIAMOND BAR, CALIFORNIA

Annual Comprehensive Financial Report

June 30, 2023

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December 11, 2023

Honorable Mayor and Council Members
City of Diamond Bar
Diamond Bar, California

It is an honor to submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Diamond Bar for the fiscal year ended June 30, 2023. This report consists of management's representations concerning the finances of the City. Consequently, responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide assurance that the financial statements will be free from misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Lance, Soll, & Lunghard, LLP, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

Stan Liu *Mayor* *At-Large*

Chia Yu Teng *Mayor Pro Tem* *District 4*

Ruth M. Low *Council Member* *At-Large*

Andrew Chou *Council Member* *District 3*

Steve Tye *Council Member* *District 1*

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www.DiamondBarCA.gov I (909) 839-7000

The independent auditor concluded based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2023, were fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY OF DIAMOND BAR

The City of Diamond Bar was incorporated on April 18, 1989, and is located at the eastern edge of Los Angeles County in the East San Gabriel Valley. Diamond Bar is primarily a residential community of about 57,000, situated among the meandering hills and valleys of Brea Canyon. Many desired services can be found in Diamond Bar's shopping and business centers. Recreational opportunities within the City include more than 75 acres of developed park facilities, hiking trails, a community center, a County-owned and operated 18-hole public golf course and more than 370 acres of undeveloped publicly owned open space.

Diamond Bar is also strategically located at the junction of the SR-57 and SR-60 freeways with easy access to I-10 and SR-71 freeways. This makes Diamond Bar a desirable and convenient location to live and work within close proximity to Los Angeles, Orange, Riverside and San Bernardino counties.

Diamond Bar is a General Law city and operates under the council-manager form of government. Policy making and legislative authority are vested in a five-member City Council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing Commissioners, and hiring both the City Manager and contracting for City Attorney services. The Council Members are elected by districts on a non-partisan basis and serve four-year staggered terms, with elections held every other year. Each December, the City Council selects a Mayor and Mayor Pro Tem from its membership. The City Manager is responsible for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The City of Diamond Bar operates primarily as a "contract city" utilizing agreements with other governmental agencies, private sector firms and individuals to provide many of its essential services. This includes law enforcement services, animal services, building and safety services, engineering, road maintenance and landscape maintenance.

The Los Angeles County Fire District provides fire protection, which is independent of the City. Los Angeles County also provides library services through a Library District, and sewer and sanitation services through a Sanitation District. Funds for these services are collected through property tax bills and are disbursed directly by the Los Angeles County Tax Collector's Office to those entities.

Water services for the City are provided by the Walnut Valley Water District. Refuse collection is provided by private waste collection companies. Additionally, schools are provided by both the Walnut Valley Unified School District and the Pomona Unified School District. Accordingly, none of these activities are included in this report.

ECONOMIC CONDITION AND OUTLOOK

This past year marks the end of the Emergency Declarations at the federal, state, county and local levels related to the COVID-19 global pandemic. While not totally eradicated, there are now adequate tools and resources in place to minimize the impacts of COVID-19 on the health care system and individuals allowing for the complete restoration of City programs and services.

From a financial perspective, there is reason to be more optimistic. Because of the severe financial impacts to cities across the nation, on March 11, 2021 the President signed the American Rescue Plan Act (ARPA) which is a $1.9 trillion relief package to mitigate the continuing effects of the COVID-19 pandemic. Of that amount, approximately $64 billion has been allocated to provide direct and flexible financial resources for every city and town in the nation.

The City of Diamond Bar has received its full allocation of American Rescue Plan Act (ARPA) Funds over the past two years totaling just over $6.8 million. In January 2022, the U.S. Treasury issued a final rule that provides for municipalities to attribute up to $10 million in ARPA Funds to be used on governmental services. As such, these funds have been used for a broad range of purposes including the replacement of lost revenue, restoration of City programs and services, COVID-19 expenses not otherwise reimbursed, and general governmental services and projects that help build resiliency and financial stability for the residents and businesses of the City.

The Adopted FY 2023/24 Budget provides a positive outlook and continues to expand many City programs and services, advance deferred maintenance and Capital Improvement Projects, and focuses on key initiatives consistent with the City's recently adopted 2024-2027 Strategic Plan. However, the City continues to remain watchful given the pressure on rising costs driven by a competitive labor market, higher fuel prices and other economic indicators that may lead to a recession in the near term; therefore, Economic Development continues to be an area of priority for the City. Accordingly, the FY 2023/24 Budget incorporates resources dedicated to continue planning efforts to create a pedestrian-oriented and walkable Town Center and programs to retain current businesses and attract new businesses that increase the City's employment base and generate revenue.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Diamond Bar for its annual comprehensive financial report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report (ACFR), with contents that conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Diamond Bar has received the Certificate of Achievement for the last twenty-eight consecutive years (fiscal years ended 1995 through 2022). We believe our current report continues to meet the Certificate of Achievement Program's requirements and we will be submitting it to GFOA to determine its eligibility for another certificate.

REPORTING ENTITY AND ITS SERVICES

This Annual Comprehensive Financial Report includes all funds of the City. The City directly provides a limited range of services and contracts for several other services. The City's significant reliance on contracted services has the benefit of reducing expenses to the citizens of the City of Diamond Bar while simultaneously providing the City with a high degree of flexibility in responding to changing economic conditions.

Contracted services include law enforcement protection, building and safety, street maintenance, park maintenance, capital improvement projects, animal control, attorney services and engineering. Staff provided services include: community development (which includes planning, building and safety administration, and neighborhood improvement), public works (which includes engineering, capital projects administration, street maintenance contract management, traffic and transportation matters, engineering contract management, park maintenance, landscape maintenance and solid waste contract management), parks & recreation (which includes senior services, recreation services, community events and community center operation), public information, subsidized transit ticket sales, grant administration, financial management, administrative management, human resources and risk management, information systems and economic development. All of these activities are included in this report.

INTERNAL CONTROLS

The City of Diamond Bar's accounting system has been developed by giving consideration to the adequacy of internal accounting controls. Internal accounting controls are implemented by the City to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and that the City's financial records used for preparing financial statements are maintained in a reliable fashion. The concept of reasonable assurance recognizes that the cost of these controls should not exceed the benefits derived from them. The City's internal controls accomplish these objectives.

ACKNOWLEDGEMENTS

The preparation of this Annual Comprehensive Financial Report was made possible by the dedicated service and excellence found within the City's Finance Department staff, and through the cooperation of the entire City staff. Each City staff member has my sincere appreciation for their cooperation and contributions in the preparation of this Report.

I would like to thank Jason Jacobsen, Finance Director, for his prudent fiscal stewardship. In addition, I would also like to thank our independent auditor, Lance, Soll, and Lunghard, LLP, who provided expertise and advice in the preparation of the City's Annual Comprehensive Financial Report.

In closing, without the leadership and support of the City Council of the City of Diamond Bar, the preparation of this Report would not have been possible.

Sincerely,

Daniel Fox

Daniel Fox
City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

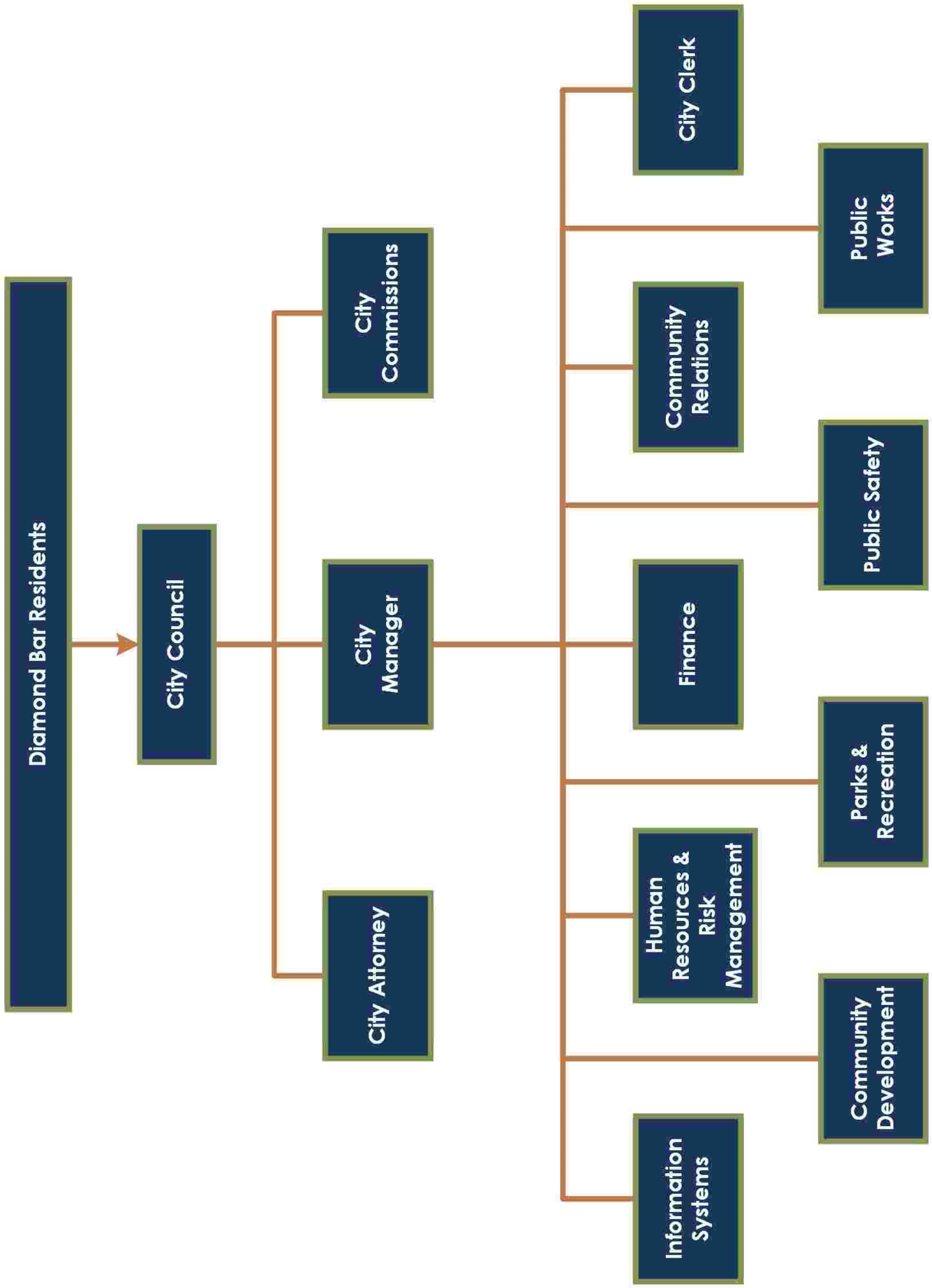
**City of Diamond Bar
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO


Diamond Bar Residents
City Council
City Commissions
City Manager
City Attorney
City Clerk
Public Works
Community Relations
Public Safety
Finance
Parks & Recreation
Human Resources & Risk Management
Community Development
Information Systems

OFFICIALS OF THE CITY OF DIAMOND BAR

As of December 11, 2023

City Council

Stan Liu, Mayor
Chia Yu Teng, Mayor Pro Tem
Andrew Chou, Council Member
Ruth Low, Council Member
Steve Tye, Council Member

Administration and Department Heads

City Manager	Dan Fox
Assistant City Manager	Ryan McLean
City Clerk	Kristina Santana
Director of:	
Parks & Recreation	Ryan Wright
Community Development	Greg Gubman
Finance	Jason Jacobsen
Information Systems	Ken Desforges
Public Works	David Liu

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Diamond Bar, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Diamond Bar, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the major special revenue funds, as listed in the table of contents, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee

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Santa Ana, CA 92701
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2151 River Plaza Dr., Suite 150
Sacramento, CA 95833
(916) 503-9691

21 Waterway Avenue, Suite 30089
The Woodlands, TX 77380

LSL

To the Honorable Mayor and Members of the City Council
City of Diamond Bar, California

that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, and the required pension and other postemployment benefits schedules, as listed on the table of contents, presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements

To the Honorable Mayor and Members of the City Council
City of Diamond Bar, California

and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Lance, Soll & Lunghard, LLP

Brea, California
December 8, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Diamond Bar, we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The total revenues from all sources totaled $44,495,555, an increase of 13% from the prior year.

- The total cost of all City programs totaled $37,437,635 an increase of 12% from the prior year.

- The assets and deferred outflows of the City of Diamond Bar exceeded its liabilities and deferred inflows at the close of the fiscal year by $394,747,347 (*net position*), an increase of $7.1 million from the prior year. Of this amount, $33,831,520 represents unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

- As of the close of the current fiscal year, the City of Diamond Bar's governmental funds reported combined ending fund balances of $63,183,166, an increase of $7,292,043 in comparison with the prior year. Approximately $33.9 million of the $63.2 million is available for spending at the City's discretion, including amounts assigned and committed by city council action.

- At the end of the current fiscal year, the Unassigned Fund Balance of the General Fund was $22,959,067 which represents a 16.8% increase from the prior year amount of $19,658,823. The Unassigned Fund Balance of $22,959,067 is in addition to a $7,981,243 reserve for emergencies/contingencies as established by Council resolution and $1,308,920 committed to capital projects for City parks and facilities.

- In June 2022 the City received $3.4 million of American Rescue Plan Act funds. This is the second of two equal advances the City received, with the first installment received in June 2021. The funds received in June 2022 were recognized as revenue and expensed by the City in fiscal year 2023 to address the fiscal impacts created by the COVID-19 pandemic.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Diamond Bar's basic financial statements. The City of Diamond Bar's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – The ***Government–wide Financial Statements*** are designed to provide readers with a broad overview of the City of Diamond Bar's finances, in a manner similar to a private-sector business.

The ***Statement of Net Position*** presents financial information on all of the City of Diamond Bar's assets, liabilities and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Diamond Bar is improving or deteriorating.

The ***Statement of Activities*** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Diamond Bar that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Diamond Bar include general government, public safety, highways and streets, community development, and parks and recreation. The City of Diamond Bar currently has no business-type activities or enterprise funds.

The government-wide financial statements include not only the City of Diamond Bar itself, but also a legally separate financing authority. Although legally separate, the Diamond Bar Public Financing Authority is included because the City is financially accountable for it.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Diamond Bar, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources available at the end of the fiscal year. Such information may be useful in assessing the near-term financing requirements necessary to finance City programs. A reconciliation to facilitate a comparison between *governmental funds* and *governmental activities* is located on **page 25** of the financial statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impacts of the City's near-term financing decisions. The governmental funds balance sheet can be found on **page 22** of the financial statements, and the governmental funds statement of revenues, expenditures, and changes in fund balances can be found on **page 24** of the financial statements.

The City of Diamond Bar adopts an annual appropriated budget for its general fund. A **budgetary comparison statement** has been provided for the general fund to demonstrate compliance with this budget on **page 58**.

Proprietary Funds – The type of proprietary funds that the City maintains are internal service funds that are used to allocate costs internally among the various functions of the City. The City of Diamond Bar uses these funds to account for its liability insurance costs and vehicle, building and computer maintenance and replacement costs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities within the government-wide financial statements.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required *supplementary information* concerning the City's budgetary control and accounting and expenditures in excess of appropriations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

City-wide Statement of Net Position – The Statement of Net Position is intended to measure an agency's financial health at the end of the fiscal year. The "net position" is the net of the agency's total assets and its total liabilities. At June 30, 2023, the City of Diamond Bar's **net position** (total assets and deferred outflows less total liabilities and deferred inflows) was $394.7 million (see **Table 1**).

By far the largest portion of the City's net position (84%) is its investment in capital assets (e.g., land, buildings, infrastructure, machinery, equipment, and construction in progress), net of the related outstanding debt used to acquire those assets. The City of Diamond Bar uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. As shown in **Table 1** below, the City's investment in capital assets (net of related debt) decreased by approximately $1.4 million, which was a result of $7.7 million in depreciation expense, additional investments of $6.9 million, and an increase in liabilities used to finance the capital assets of $0.6 million.

The City's **total liabilities** grew by $4.3 million due largely to an increase in net pension liability in the amount of $4.9 million; this amount fluctuates with the annual returns of CalPERS and after a significant decline in the previous year is now closer to historic levels. The City's **restricted net position** increased by $3.1 million from last year. This is due to a combination of factors, including the unspent portion of restricted revenues received in special revenue funds. These funds are either accumulated to fund large capital projects or take several years to fully expend.

Table 1
CITY OF DIAMOND BAR
Statement of Net Position

	Governmental Activities	
	2023	**2022**
Current and other assets	$ 78,576,175	$ 72,267,493
Capital assets	339,594,656	340,434,601
Total Assets	418,170,831	412,702,094
Deferred Outflows	4,236,969	2,152,283
Current liabilities	9,237,421	9,449,360
Noncurrent liabilities	15,633,771	12,150,302
Total Liabilities	24,871,192	21,599,662
Deferred Inflows	2,789,261	5,565,288
Net Position:		
Net investment in capital ass	331,607,485	332,972,933
Restricted	29,308,342	26,205,130
Unrestricted	33,831,520	28,511,364
Total Net Position	$ 394,747,347	$ 387,689,427

The unrestricted portion of the total net position represents those funds the City can use at its sole discretion. This portion is often looked at when evaluating a city's financial health. The **unrestricted net position** increased by $5.3 million. This is due to several factors, including the use of ARPA revenues which help generate a surplus of funds, and the intentional accumulation of reserves for various city purposes pursuant to the City's reserve policy.

Changes in Net Position – Although the Statement of Net Position discussed above is an important measure of financial health, it is only at a specific point in time. A more useful measure is how the City's financial position is changing over time. **Table 2** below present a summary of the City's change in net position from the prior year, and the specific revenue and expenditure performance that caused the change.

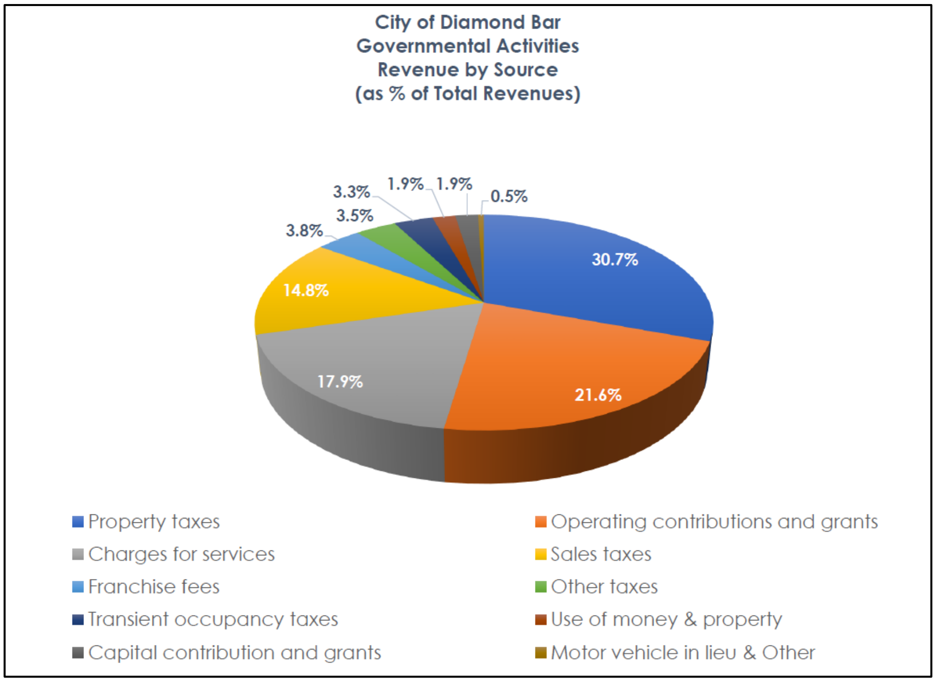
Sales Tax Revenues
Five-Year Trend

Fiscal Year	Amount	Growth
2019	$ 4,970,980	-0.6%
2020	5,252,375	5.7%
2021	5,106,920	-2.8%
2022	6,127,592	20.0%
2023	6,598,953	7.7%

Overall, the City ended the year with an increase to its net position of $7.1 million. This is a substantial increase from the $5.4 million in the prior year. The General Fund contributed a meaningful portion to the overall increase in net position, with revenues rebounding strong in various categories, such as charges for service, property taxes (mainly supplemental and unsecured property taxes), sales tax, use of money & property, and transient occupancy tax. Total revenues for all Governmental Activities were $44.5 million. Expenses across all Governmental Activities totaled $37.4 million. Many of the reasons leading to these results have already been discussed, but some of the more notable factors are discussed below.

Table 2
CITY OF DIAMOND BAR
Changes in Net Position

	Governmental Activities	
	2023	**2022**
Revenues:		
Program Revenues:		
Charges for services	$ 7,983,986	$ 7,147,094
Opearting grants and contributions	9,630,820	9,745,284
Capital grants and contributions	853,518	-
General Revenues:		
Property taxes	13,650,877	12,814,147
Transient occupancy taxes	1,462,904	1,359,842
Sales taxes	6,598,953	6,127,593
Franchise fees	1,687,104	1,308,250
Other taxes	1,540,855	1,400,481
Motor vehicle in lieu	56,347	65,523
Use of money & property	863,861	(895,646)
Other	166,330	136,203
Total Revenues	44,495,555	39,208,771
Expenses		
General government	8,377,284	7,210,304
Public safety	8,149,425	7,993,744
Community development	3,663,339	2,579,271
Parks & recreation	4,481,255	3,903,018
Public works	12,621,030	11,641,746
Interest and fiscal charges	145,302	192,897
Total Expenses	37,437,635	33,520,980
Increase (Decrease) in net position	7,057,920	5,687,791
Net position - beginning	387,689,427	382,297,929
Restatement of net position	-	(296,293)
Net Position - ending	$ 394,747,347	$ 387,689,427



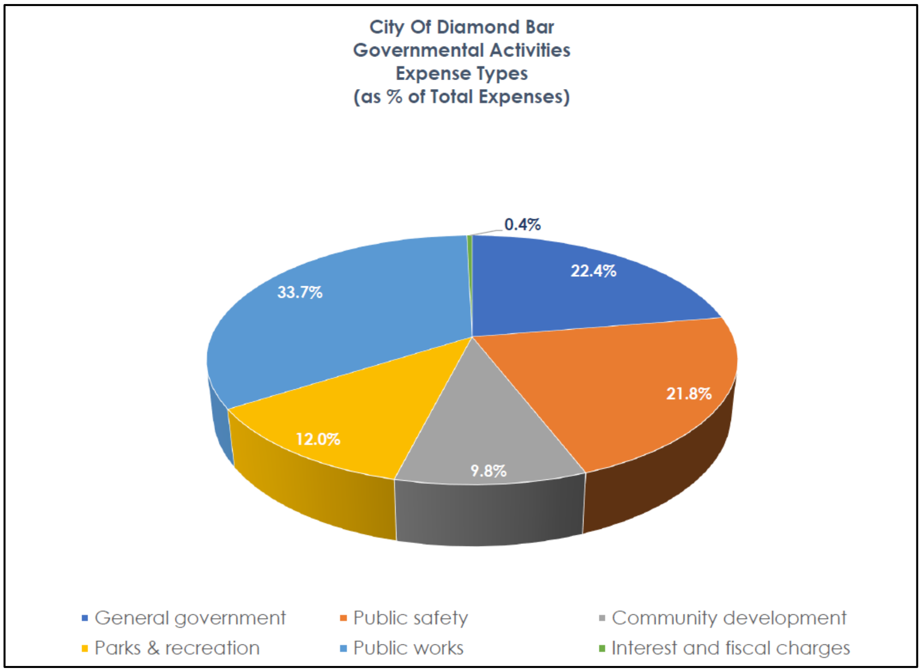
Revenues

As show in **Table 2** above, total revenues on a citywide basis were $44.5 million. This is approximately $5.3 million higher than last year. The bedrock of our revenue growth lies in the impressive 7% expansion across three crucial areas—**property tax, sales tax, and transient occupancy tax (TOT)**. This growth signifies the economic vibrancy and increased activity within the City.

Throughout the year, revenues from the **use of money & property** demonstrated remarkable improvement, ending the year with a net increase of $1.8 million. This rebound can be primarily attributed to the prevailing increase in interest rates, showcasing the responsiveness of the City's actively managed investment portfolio to market dynamics. It should be noted that total revenue from the use of money and property of $863,861 reflects total investment earnings of $2.03 million net of unrealized losses in the amount of -$1.17 million; losses which would only be realized were the portfolio liquidated at current market valuations (as of June 30, 2023).

Use of Money & Property
Year-Over-Year Change

Fiscal Year	Interest Earnings (millions)	YoY Growth	Unrealized Gain/(Loss) (millions)	YoY Growth	Total
2022	$ 0.54	14.8%	$ (1.44)	313.3%	$ (0.90)
2023	2.03	275.9%	(1.17)	-18.5%	0.86



Expenses

The FY 2023 budget was developed with the intention of restoring programs and services across the organization, in particular in the General Fund. As such, fiscal year budgeted and actual expenditures were higher in FY 2023 than in FY 2022. Specifically, the FY 2023 General Fund budget totaled $32.8 million compared to the FY 2022 revised budget of $30.5 million.

In addition to restoring programs and services, the City also increased its capital improvement program. In FY 2021, the City had to scale back its capital program due to reduced revenues largely tied to the pandemic. In FY 2022, the City's capital program increased from $3.5 million to $7.5 million. In FY 2023, the City's capital program increased from $7.5 million to $16.0 million. While much of the funding comes from grants and other restricted revenues, the growth nonetheless helps explain the increase in the overall spending that occurred generally throughout all categories.

Reserves

In 2011 the City Council adopted Resolution No. 2011-26 establishing policies related to fund balance and reserves. These policies were amended in August of 2019 with the adoption of Resolution No. 2019-36. In general, reserves are intended to serve a variety of goals and purposes. One of the key reserves set forth in the City's reserve policies is for emergencies, such as natural disasters (earthquakes, flooding, wildfires, etc.), or unexpected events and circumstances that impact the City's finances. The recent global pandemic is an excellent example of this. Another purpose of reserves is to set aside funds for the replacement of equipment, vehicles, facilities, and other capital needs. The accumulation of such funds over time minimizes the financial burden and impacts of funding these types of capital items, which often are very expensive, in a single year.

The degree to which a city has set aside reserves for the purposes noted above is an important measure of a city's financial health. To that end, the City's reserve policies establish the following reserves:

1. **Contingency Reserve** – No less than 25% of the adopted budget General Fund expenditures to provide for economic uncertainties, local emergencies or disasters, and other financial hardships or downturns in the local economy, including unforeseen operating or capital needs and cash flow requirements.

2. **Other Post-Employment Benefit (OPEB) Reserve Fund** – To cover the projected cost of future retiree benefits, the City will maintain a reserve so that the combined amount of the reserve and funds held in an OPEB trust are no less than 80% of the total OPEB liability based on the most recent actuarial valuation.

3. **Building Facility and Maintenance Fund** – The City will make annual contributions to this fund from the General Fund of no less than $100,000 to provide for the future replacement of systems and equipment at City Hall, the Diamond Bar Center, and other City buildings and facilities. In addition, the City will transfer 40% of the General Fund year-end surplus after funding the other reserves described in this section.

4. **Vehicle Maintenance and Replacement Fund** – To provide funding for the timely replacement of vehicles and related equipment with an individual cost of $10,000 or more, the City will annually make a contribution from its General Fund to the Vehicle Maintenance and Replacement Fund equal to its estimated operating costs plus depreciation net of any interest earnings and proceeds from the sale of assets.

5. **Technology Reserve Fund** – The City will maintain a technology reserve fund to accumulate funds for the replacement of essential technology systems and equipment. The annual contribution from the General Fund will be no less than $100,000.

6. **Park Development Fund** – This fund provides for the development and enhancement of the City's parks and facilities. The City will transfer 40% of the General Fund year-end surplus after funding the other reserves described in this section.

The aforementioned reserves are listed below in **Table 3** along with other highlighted reserves.

See **footnote 11** for more information on fund balances.

Table 3
CITY OF DIAMOND BAR
Changes in Reserves

	Fiscal Year Ended June 30, 2023	2022	Change
General Fund			
Committed Reseves			
Contingency Reserve	$ 7,981,243	$ 7,864,770	$ 116,473
Assigned Reseves			
Community organization support	2,062	-	$ 2,062
OPEB Reserve	291,182	353,283	(62,101)
Technology Reserve	591,346	442,418	148,928
Capital Improvement Projects	1,308,920	-	1,308,920
Tres Hermanos Conservancy Reserve	6,910	20,726	(13,816)
General Plan Update Reserve	518,504	929,558	(411,054)
Law Enforcement Reserve	941,362	957,126	(15,764)
Unassigned Reserve	22,959,067	19,658,823	3,300,244
Total General Fund	**34,600,596**	**30,226,704**	**4,373,892**
Park Development Fund			
Park and Facility Reserve	1,567,641	873,636	694,005
Vehicle Maintenance & Replacement Fund			
Maintenance & Replacement Reserve	316,864	230,973	85,891
Building Maintenance & Replacement Fund			
Maintenance & Replacement Reserve	1,062,451	1,164,608	(102,157)
Computer Equipment Replacement Fund			
Equipement Replacement Reserve	2,032,428	1,068,686	963,742
Grand Totals	**$ 39,579,980**	**$ 33,564,607**	**$ 6,015,373**

The most striking thing to note from **Table 3** above is that total reserves, as set forth in the City's reserve policies, increased by $6,015,373 (or 18.0%) to a total of $39.6 million. It is important to note that all of these individual reserves, including those in other funds, ultimately derive from the General Fund, either from the allocation of year-end surpluses or annual contributions pursuant to the reserve policies summarized earlier.

FUND FINANCIAL ANALYSIS

As noted earlier the City of Diamond Bar uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These are presented starting on **page 23** of the financial statements.

Governmental funds - The focus of the City of Diamond Bar's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a city's net resources available for spending at the end of the fiscal year.

At June 30, 2023, the City of Diamond Bar's governmental funds reported combined ending fund balances of $63.2 million, an increase of $7.3 million in comparison with the prior year. Approximately 35% of this amount ($22,233,273) constitutes unassigned fund balances, which is available for spending at the government's discretion. The remainder of the fund balance is either restricted for particular purposes ($29,308,364), committed to contingencies per City policy ($7,981,243), or assigned to a specific purpose ($3,660,286). The balance sheet for governmental funds is presented on **page 22** of the financial statements.

The General Fund, which is included as a governmental fund, is the main operating fund of the City. It is where most traditional services associated with local government, including public safety, recreation, development services, economic development, and public works. The services are funded primarily from unrestricted tax revenues, such as taxes and charges for services. At the end of the 2023 fiscal year, the unassigned fund balance of the General Fund was approximately $23 million, while the total fund balance was $34.6 million; this represents an increase of $4.4 million in total fund balance from last year. The factors leading to this increase are largely the same as those discussed above for the City as a whole, including, the use of ARPA revenues, and the strong performance in sales tax and TOT revenues.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 79% of total General Fund expenditures, including transfers out, while total fund balance represents 119% of the same amount.

Weathering the Storm of the COVID-19 Pandemic
In retrospect, this past fiscal year stands as a testament to our collective resilience in navigating the unprecedented challenges posed by the global pandemic. The uncertainties and disruptions stemming from this period tested our organization's ability to adapt when faced with extreme adversity. Yet, our city emerged from the pandemic stronger, and our commitment to financial stability and strategic management has shone through.

The continued growth in property tax, sales tax, and transient occupancy tax (TOT) revenues, coupled with prudent investments and fiscal policies, strengthened our financial position as the City exited the pandemic; for these reasons the City continues to stand as a beacon of economic strength in our region. It is management's belief that the detailed financial statements that follow reflect this collective dedication to the ongoing well-being and prosperity of the Diamond Bar community.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The City of Diamond Bar's investment in capital assets for its governmental activities as of June 30, 2023 amounts to $339.6 million (net of accumulated depreciation). This investment in capital assets includes land, right of way, buildings and improvements, furniture and fixtures, vehicles and equipment, infrastructure and construction in progress.

Table 4
CITY OF DIAMOND BAR
Capital Assets (net of depreciation)

	Fiscal Year 2023	Fiscal Year 2022
Land	6,369,506	$ 6,369,506
Right of way	265,614,104	265,614,104
Intangible assets	694,050	-
Buildings and improvements	8,885,017	9,214,069
Furniture and fixtures	-	743
Vehicles & equipment	523,103	1,455,230
Infrastructure	54,616,096	55,727,592
Constuction in progress	2,892,780	2,053,357
Totals	$ 339,594,656	340,434,601

The City's capital assets decreased in value by approximately $0.8 million during fiscal year 2023. This decrease was due primarily to depreciation expense totaling almost $7.7 million, offset by an increase in construction in progress and other capital assets of $6.9 million.

Construction in progress at the end of the year included projects in various stages of design or construction. Virtually all of the $2.9 million of construction in progress relates to streets improvement projects, including both residential and arterial roadways.

See **footnote 4** for more information on capital assets.

Long-term debt – At the end of the current fiscal year, the City of Diamond Bar's total long-term debt totaled $6,820,543, which includes outstanding bonds payable and accrued compensated absences as shown in **Table 5** below.

Table 5
CITY OF DIAMOND BAR
Outstanding Long-Term Debt
At June 30, 2023

Fixed Rate 2021 Lease Revenue Refunding Bonds (backed by the Public Financing Authority)	$ 5,815,000
Compensated Absences	1,005,543
Total	$ 6,820,543

In June 2021 the City issued the 2021 Lease Revenue Refunding Bonds to refinance the 2002 Lease Revenue Bonds. The 2002 bonds were originally issued to finance the construction of a community/senior center (the Diamond Bar Center) and other public improvements. The refunding, which capitalizes on historically low interest rates, will result in a savings of $1,736,355 over the remaining life of the bonds.

In addition to the bonds, city employees have accrued leave time (sick and vacation) totaling $1,005,543 as of June 30, 2023. This liability is primarily paid out as time off or the use of sick time and to this extent does not result in an increase in costs.

See **footnote 5** for more information on long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Adopted FY 2023/24 Budget incorporates a positive outlook and continues to expand many City programs and services, advance deferred maintenance and capital improvement projects, and focuses on key initiatives consistent with the City's Long-Term Financial Stability Report and recently adopted 2024-2027 Strategic Plan. The proposed Capital Improvement Program totals $12.0 million in new projects for FY 2023/24 and includes many projects that were in the design phase in FY 2022/23 which will now move to the construction phase in FY 2023/24. The FY 2023/24 Adopted Budget also includes the use of General Fund Undesignated Reserves in the amount of $1.3 million for one-time projects and programs, $1.1 million of which is for capital improvement projects.

Similarly, the revenue outlook is reasonably optimistic, with growth in key General Fund revenues—including property taxes, sales taxes, TOT— and other taxes expected to be moderate and in line with historic and pre-pandemic growth rates.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT TEAM

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City of Diamond Bar's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department, at the City of Diamond Bar, 21810 Copley Drive, Diamond Bar, California 91765.

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CITY OF DIAMOND BAR
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets:	
Cash and investments	$ 72,156,901
Receivables:	
Accounts	2,376,104
Notes and loans	432,236
Accrued interest	329,746
Due from other governments	1,067,332
Restricted assets:	
Cash with fiscal agent	1,561
Lease receivables	2,212,295
Capital assets not being depreciated	274,876,390
Capital assets, net of depreciation	64,718,266
Total Assets	**418,170,831**
Deferred Outflows of Resources:	
Deferred pension related items	4,013,585
Deferred OPEB related items	223,384
Total Deferred Outflows of Resources	**4,236,969**
Liabilities:	
Current liabilities:	
Accounts payable	3,775,215
Accrued liabilities	536,804
Accrued interest	18,434
Unearned revenue	1,091,851
Deposits payable	2,534,665
Due to other governments	500,452
Compensated absences - due within one year	300,000
Bonds payable - due within one year	480,000
Noncurrent liabilities:	
Compensated absences - due in more than one year	705,543
Bonds payable - due in more than one year	6,409,244
Net pension liability - due in more than one year	7,903,769
Net OPEB liability - due in more than one year	615,215
Total Liabilities	**24,871,192**
Deferred Inflows of Resources:	
Deferred pension related items	389,526
Deferred OPEB related items	187,440
Deferred lease related items	2,212,295
Total Deferred Inflows of Resources	**2,789,261**
Net Position:	
Net investment in capital assets	331,607,485
Restricted for:	
Community development projects	4,435,781
Public safety	366,818
Public works	21,761,109
Capital projects	2,743,073
Debt service	1,561
Unrestricted	33,831,520
Total Net Position	**$ 394,747,347**

See Notes to Financial Statements.

CITY OF DIAMOND BAR
Statement of Activities
Year Ended June 30, 2023

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	$ 8,377,284	$ 114,485	$ 4,160,007	$ -	$ (4,102,792)
Public safety	8,149,425	383,058	203,960	-	(7,562,407)
Community development	3,663,339	2,450,481	293,720	-	(919,138)
Parks and recreation	4,481,255	1,583,261	-	-	(2,897,994)
Public works	12,621,030	3,452,701	4,973,133	853,518	(3,341,678)
Interest on long-term debt	145,302	-	-	-	(145,302)
Total Primary Government	**$ 37,437,635**	**$ 7,983,986**	**$ 9,630,820**	**$ 853,518**	**(18,969,311)**

General Revenues:	
Taxes:	
Property taxes, levied for general purpose	13,650,877
Transient occupancy taxes	1,462,904
Sales taxes	6,598,953
Franchise taxes	1,687,104
Other taxes	1,540,855
Motor vehicle in lieu - unrestricted	56,347
Use of money and property	863,861
Other	166,330
Total General Revenues	**26,027,231**
Change in Net Position	7,057,920
Net Position at Beginning of Year	387,689,427
Net Position at End of Year	**$ 394,747,347**

See Notes to Financial Statements.

CITY OF DIAMOND BAR
Balance Sheet
Governmental Funds
June 30, 2023

	General	Special Revenue Funds: Traffic Improvement Fund	Capital Projects Funds: Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Pooled cash and investments	$ 37,932,326	$ 8,091,761	$ 612,824	$ 21,052,262	$ 67,689,173
Receivables:					
Accounts	2,144,041	-	-	232,063	2,376,104
Notes and loans	-	-	-	432,236	432,236
Accrued interest	329,746	-	-	-	329,746
Lease receivables	2,212,295	-	-	-	2,212,295
Due from other governments	18,290	-	307,468	672,486	998,244
Due from other funds	276,296	-	-	-	276,296
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	1,561	1,561
Total Assets	**$ 42,912,994**	**$ 8,091,761**	**$ 920,292**	**$ 22,390,608**	**$ 74,315,655**
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	$ 2,200,427	$ -	$ 1,097,927	$ 355,839	$ 3,654,193
Accrued liabilities	500,001	-	-	36,803	536,804
Unearned revenues	854,070	-	-	237,781	1,091,851
Deposits payable	2,534,665	-	-	-	2,534,665
Due to other governments	-	-	-	451,378	451,378
Due to other funds	-	-	-	276,296	276,296
Total Liabilities	**6,089,163**	**-**	**1,097,927**	**1,358,097**	**8,545,187**
Deferred Inflows of Resources:					
Unavailable revenues	10,940	-	307,468	56,599	375,007
Deferred inflows lease related	2,212,295	-	-	-	2,212,295
Total Deferred Inflows of Resources	**2,223,235**	**-**	**307,468**	**56,599**	**2,587,302**
Fund Balances:					
Restricted for:					
Community development projects	-	-	-	4,435,803	4,435,803
Public safety	-	-	-	366,818	366,818
Highways and streets	-	8,091,761	-	13,669,348	21,761,109
Capital Projects	-	-	-	2,743,073	2,743,073
Debt service	-	-	-	1,561	1,561
Committed to:					
Emergency contingencies	7,981,243	-	-	-	7,981,243
Assigned to:					
Community organization support	2,062	-	-	-	2,062
Other Post Employment Benefits (OPEB)	291,182	-	-	-	291,182
Technology Reserve	591,346	-	-	-	591,346
Capital improvement projects	1,308,920	-	-	-	1,308,920
Tres Hermanos Conservancy	6,910	-	-	-	6,910
General Plan Update	518,504	-	-	-	518,504
Law Enforcement Reserve	941,362	-	-	-	941,362
Unassigned					
Unassigned Reserve	22,959,067	-	(485,103)	(240,691)	22,233,273
Total Fund Balances	**34,600,596**	**8,091,761**	**(485,103)**	**20,975,912**	**63,183,166**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 42,912,994**	**$ 8,091,761**	**$ 920,292**	**$ 22,390,608**	**$ 74,315,655**

See Notes to Financial Statements.

CITY OF DIAMOND BAR
Reconciliation of the Balance Sheet of Government Funds
to the Statement of Net Position
June 30, 2023

Fund balances of governmental funds		$ 63,183,166
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		338,684,655
Deferred outflows related to pension items:		
Adjustments due to difference in proportions	$ 439,481	
Net difference between project and actual earnings on pension plan investments	1,447,761	
Difference between expected and actual experiences	158,723	
Change in assumptions	809,907	
Current year contributions that occurred after the measurement date	1,157,713	4,013,585
Deferred outflows related to OPEB:		
Differences between expected and actual experience	3,909	
Change in assumptions	160,886	
Net difference between projected and actual experience	58,589	223,384
Long-term debt, compensated absences, other post employee benefit obligation and net pension liability that have not been included in the governmental fund activity:		
Bonds payable	(5,815,000)	
Unamortized bond premiums	(1,074,244)	
Compensated Absences	(1,005,543)	
Net OPEB liability	(615,215)	
Net pension liability	(7,903,769)	(16,413,771)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(18,434)
Deferred inflows related to pension items:		
Difference between expected and actual experiences	(106,306)	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	(283,220)	(389,526)
Deferred inflows related to OPEB:		
Net differences between projected and actual return investments	(187,440)	(187,440)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		375,007
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		5,276,721
Net Position of Governmental Activities		**$ 394,747,347**

CITY OF DIAMOND BAR
Statement of Revenues,
Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

	General	Special Revenue Funds Traffic Improvement Fund	Capital Projects Funds Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 16,445,551	$ -	$ -	$ 1,262,383	$ 17,707,934
Licenses and permits	2,275,281	-	-	132,048	2,407,329
Intergovernmental	10,712,016	853,518	28,312	9,500,430	21,094,276
Charges for services	1,593,826	-	-	703,715	2,297,541
Use of money and property	498,274	93,594	-	235,182	827,050
Fines and forfeitures	383,058	-	-	-	383,058
Miscellaneous	184,345	-	1,559	16,181	202,085
Total Revenues	**32,092,351**	**947,112**	**29,871**	**11,849,939**	**44,919,273**
Expenditures:					
Current:					
General government	7,020,328	-	-	2,114	7,022,442
Public safety	8,144,825	-	-	4,600	8,149,425
Community development	2,870,494	-	-	652,393	3,522,887
Parks and recreation	1,941,947	-	-	25,282	1,967,229
Public works	5,148,020	-	-	2,255,704	7,403,724
Capital outlay	-	-	6,795,028	115,262	6,910,290
Debt service:					
Principal retirement	-	-	-	465,000	465,000
Interest and fiscal charges	-	-	-	254,200	254,200
Total Expenditures	**25,125,614**	**-**	**6,795,028**	**3,774,555**	**35,695,197**
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,966,737	947,112	(6,765,157)	8,075,384	9,224,076
Other Financing Sources (Uses):					
Transfers in	1,261,764	-	6,410,629	825,058	8,497,451
Transfers out	(3,854,609)	-	-	(6,574,875)	(10,429,484)
Total Other Financing Sources (Uses)	**(2,592,845)**	**-**	**6,410,629**	**(5,749,817)**	**(1,932,033)**
Net Change in Fund Balances	4,373,892	947,112	(354,528)	2,325,567	7,292,043
Fund Balances, Beginning of Year	30,226,704	7,144,649	(130,575)	18,650,345	55,891,123
Fund Balances, End of Year	**$ 34,600,596**	**$ 8,091,761**	**$ (485,103)**	**$ 20,975,912**	**$ 63,183,166**

See Notes to Financial Statements.

CITY OF DIAMOND BAR
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2023

Net change in fund balances - total governmental funds		$ 7,292,043
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Expenditures	$ 6,827,804	
Depreciation Expense	(7,494,758)	(666,954)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal payment	465,000	
Amortization of bond premium	107,424	
Compensated Absences	(62,618)	509,806
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		1,474
Pension contributions are expenditures in the governmental funds, but reduce the Net Pension Liability in the statement of net position and changes in the Net Pension Liability are expensed in statement of activities.		(313,518)
OPEB contributions are expenditures in the governmental funds, but reduce the Net OPEB Liability on the statement of net position and changes in the Net OPEB Liability are expensed in the statement of activities.		(15,897)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		(479,830)
Compensated absences - due within one year		
Bonds payable - due within one year		
The net revenues (expenses) of the internal service funds is reported with governmental activities.		730,796
Change in Net Position of Governmental Activities		**$ 7,057,920**

CITY OF DIAMOND BAR
Statement of Net Position
Proprietary Funds
June 30, 2023

	Governmental Activities- Internal Service Funds
Assets:	
Current:	
Cash and investments	$ 4,467,728
Due from other governments	69,088
Total Current Assets	**4,536,816**
Noncurrent:	
Capital assets - net of accumulated depreciation	910,001
Total Noncurrent Assets	**910,001**
Total Assets	**$ 5,446,817**
Liabilities and Net Position:	
Liabilities:	
Current:	
Accounts payable	$ 121,022
Due to other governments	49,074
Total Current Liabilities	**170,096**
Total Liabilities	**170,096**
Net Position:	
Invested in capital assets	910,001
Unrestricted	4,366,720
Total Net Position	**5,276,721**
Total Liabilities and Net Position	**$ 5,446,817**

See Notes to Financial Statements.

CITY OF DIAMOND BAR
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2023

	Governmental Activities- Internal Service Funds
Operating Expenses:	
Insurance premiums	$ 510,516
Equipment repair and maintenance	518,408
Depreciation expense	228,425
Total Operating Expenses	**1,257,349**
Operating Income (Loss)	(1,257,349)
Nonoperating Revenues (Expenses):	
Interest revenue	36,811
Contributions	19,301
Total Nonoperating Revenues (Expenses)	**56,112**
Income (Loss) Before Transfers	(1,201,237)
Transfers in	1,997,033
Transfers out	(65,000)
Changes in Net Position	730,796
Net Position:	
Beginning of Year	4,545,925
End of Fiscal Year	**$ 5,276,721**

See Notes to Financial Statements.

CITY OF DIAMOND BAR
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023

	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities:	
Insurance premiums paid	$ (510,516)
Payments to suppliers	(405,780)
Net Cash Provided (Used) by Operating Activities	**(916,296)**
Cash Flows from Non-Capital Financing Activities:	
Cash transfers out	(65,000)
Cash transfers in	1,997,033
Net Cash Provided (Used) by Non-Capital Financing Activities	**1,932,033**
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(55,434)
Net Cash Provided (Used) by Capital and Related Financing Activities	**(55,434)**
Cash Flows from Investing Activities:	
Interest Paid	36,811
Net Cash Provided (Used) by Investing Activities	**36,811**
Net Increase (Decrease) in Cash and Cash Equivalents	**997,114**
Cash and Cash Equivalents at Beginning of Year	3,470,614
Cash and Cash Equivalents at End of Year	**$ 4,467,728**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	$ (1,257,349)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:	
Depreciation	228,425
Increase (decrease) in accounts payable	112,628
Total Adjustments	**341,053**
Net Cash Provided (Used) by Operating Activities	**$ (916,296)**

See Notes to Financial Statements.

NOTE 1: REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

The City of Diamond Bar (the City) was incorporated April 18, 1989, as a "General Law" City governed by an elected five-member city council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Diamond Bar (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These entities are legally separate from each other. However, the City of Diamond Bar's elected officials have a continuing full or partial accountability for fiscal matters of the other entities. The financial reporting entity consists of: (1) the City (2) organizations for which the City is financially accountable; and, (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the City's or when the component unit provides services almost entirely to the City.

Blended Component Units

The Diamond Bar Public Financing Authority (the Authority) was formed on November 19, 2002. The purpose of the Authority is to issue debt to finance public improvements and other capital purchases for the City and Agency. The activity of the Authority is reported in debt service and capital projects funds. Separate financial statements are not prepared for this blended component unit.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

NOTE 1: REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide financial statements, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all assets and liabilities (current and long-term) are reported. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year, which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's internal service funds are charges to departments for services. Operating expenses for the proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, generally only current assets and liabilities are reported in the governmental funds. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, except for principal and interest on long-term liabilities, claims and judgments, and compensated absences which are recognized as expenditures only when payment is due.

Property taxes, taxpayer-assessed taxes, such as sales taxes, gas taxes, and transient occupancy taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period to the extent normally collected within the availability period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The accounts of the City are organized and operated on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

As a general rule, the effect of Interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating contributions and grants, and 3) capital contributions and grants, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

NOTE 1: REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Classifications

The City reports the following major governmental funds:

The General Fund is the primary operating fund of the City and is used to account for all revenues and expenditures of the City not legally restricted as to use. A broad range of municipal activities are provided through this fund including City Manager, City Attorney, Finance, City Clerk, Public Works, Building and Safety, and Parks and Recreation.

The Traffic Improvement Fund is used to account for funds which have been received from development projects and designated by the City Council for traffic mitigation projects.

The Capital Improvement Project Fund is used to account for improvements of construction of capital facilities.

The City's fund structure also includes the following fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service Funds are used to account for the receipt of revenues and payments of debt service related to outstanding bonds.

Additionally, the City reports the following fund types:

Internal Service Funds have been established to finance and account for goods and services provided by one City department to other City departments or agencies. These activities include self-insurance, equipment, building maintenance and computer maintenance.

E. Investments

For financial reporting purposes, investments are stated at fair value.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund’s share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balances.

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity (an original maturity date of three months or less from the date of purchase) that they present insignificant risk of changes in value because of changes in interest rates. Cash and cash equivalents also represent the proprietary funds' share in the cash and investment pool of the City. All cash and investments of the proprietary (internal service) funds are pooled with the City's pooled cash and investments and are therefore considered cash equivalents for purposes of the statement of cash flows.

NOTE 1: REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Prepaid Costs

Prepaid costs are accounted for on the consumption method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at acquisition value at the date of contribution. Capital asset purchases (other than infrastructure) in excess of $5,000 are capitalized if they have an expected useful life of three years or more. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

Capital assets include additions to public domain (infrastructure), certain improvements including roads, streets, sidewalks, medians and storm drains within the City.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the Government-wide and Proprietary Fund Financial Statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet.

The lives used for depreciation purposes of each capital asset class are:

Buildings and improvements	50 years
Furniture and fixtures	7 years
Vehicles	5 years
Infrastructure	10 - 50 years
Equipment	3 years

Intangible Assets are capitalized at cost related to the enterprise resource management system. Amortization has been provided on a straight-line basis over the estimated useful life of 10 years.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category. It is deferred outflows relating to the net pension obligation and net OPEB obligation reported in the government-wide statement of net position. These outflows are the results of contributions made after the measurement period, adjustments due to difference in proportions, and the difference between actual contributions made and the proportionate share of the risk pool’s total contributions, differences between expected and actual experiences, net differences between projected and actual experiences on plan investments, and change in assumptions.

NOTE 1: REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and thus will not be recognized as an inflow of resources (revenue) until that time. The government has three items which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, one item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: taxes and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the government has items that qualify for reporting in this category which relate to deferred inflows relating to the net pension and net OPEB obligations reported in the government-wide statement of net position. These inflows are the result of the net difference between projected and actual earnings on plan investments, changes in employer's proportion, difference between the employer's contributions and the employer's proportionate share of contributions, adjustments due to difference in proportions, differences between expected and actual experiences, and change in assumptions. Lastly, leases related items for the amount of the lease receivable plus any lease payments related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term.

J. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

K. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

L. Compensated Absences

Vacation and sick leave time begin to accumulate as of the first day of employment to a maximum of 360 hours and 480 hours, respectively. Employees who accumulate sick leave in excess of 200 hours may be compensated for the excess up to 80 hours annually at one half the employees current wage rate.

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

A liability is recorded for unused sick leave balances only to the extent that it's probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payments, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City.

If an employee retires, resigns, or terminates in good standing with a minimum of five years of service, the employee is entitled to receive 100% of unused sick leave at one half the employees current wage rate. Compensated absences will be reported in government funds only if they have matured, such as upon retirement.

NOTE 1: REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pension Plan

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications. Net Pension liability is expected to be paid in future years from future resources, typically liquidated from the General Fund.

N. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by California Employers' Retiree Benefit Trust (CERBT), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Net OPEB liability is expected to be paid in future years from future resources, typically liquidated from the General Fund.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

O. Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB or Pension liability and fiduciary net position are recognized in OPEB or Pension expense systematically over time. Amounts are first recognized in OPEB or Pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB or Pension and are to be recognized in future OPEB or Pension expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL)

P. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are received from the County within 60 days after year end.

NOTE 1: REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date	January 1
Levy date	July 1
Due dates	November 1 - 1st installment February 1 - 2nd installment
Collection dates	December 10 - 1st installment April 10 - 2nd installment
Delinquent dates	December 11 - 1st installment April 11 - 2nd installment

Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. Net OPEB liability is expected to be paid in future years from future resources, typically liquidated from the General Fund.

R. Fund Equity

In the fund financial statements, government funds report the following fund balance classification:

- Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

- Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

- Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution.

- Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Director of Finance is authorized to assign amounts to a specific purpose, which was established by the governing body in resolution.

- Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes. The General Fund is the only fund that reports a positive fund unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount.

However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Equity

At June 30, 2023, The City reported deficit fund equities in the following funds:

Fund Name	Fund Type	Deficit	Cause
Measure A	NonMajor Special Revenue Fund	$ (184,000)	(a)
MTA Grant Fund	NonMajor Special Revenue Fund	(56,599)	(a)
Local Roadway Safety Plan	NonMajor Special Revenue Fund	(92)	(a)
Capital Improvement Fund	Major Capital Projects Fund	(485,103)	(b)

(a) Deficit due to timing differences between grant receipts and disbursements, and is expected to be eliminated through future grant revenues.

(b) Deficit due to the timing differences between expenditures and the issuance of bonds to finance the project, and is expected to be eliminated once the bonds are issued.

NOTE 3: CASH AND INVESTMENTS

As of June 30, 2023, cash and investments were reported in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	$ 72,156,901
Cash and investments with fiscal agents	1,561
	$ 72,158,462

Cash and investments held by the City at June 30, 2023, consisted of the following:

Cash and cash equivalents:	
Imprest cash on hand	$ 2,297
Demand deposits	1,590,753
Total Cash and cash equivalents	1,593,050
Investments:	
United States Government Sponsored Enterprise Securities	22,288,084
Federal Agency Securities	19,190,522
Certificates of Deposit	10,591,045
Corporate Notes	918,898
Municipal Bonds	1,963,613
Money Market Mutual Funds	7,300,341
Local Agency Investment Fund	8,311,348
Held by fiscal agents:	
Money Market Mutual Funds	1,561
Total Investments and held by fiscal agents	70,565,412
	$ 72,158,462

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code and the City's Investment Policy

The following table identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address' interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to $250,000 by the FDIC.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	5 years	None	None
United States Government Sponsored Enterprise Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Time Certificates of Deposits	5 years	30%	$ 250,000
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Money Market Mutual Funds	5 years	20%	None
Repurchase Agreements	1 year	None	None
Medium-Term Corporate Notes (1)	5 years	30%	5%
Supranational	5 years	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	$ 75,000,000

(1) Notes must be rated "A" or better

N/A - Not Applicable

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	None	None	None
United States Government Sponsored Enterprise Securities	None	10%	None
Banker's Acceptance	1 year	None	None
Time Certificate of Deposits	None	None	None
Local Agency Investment Fund	None	None	None
Money Market Funds	None	None	None
Repurchase Obligations Tax Exempt	30 days	None	None
Taxable Government Money Market Portfolios	None	Equal to six months of principal and interest in the bonds	None

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

	Remaining Maturity (in Months)			
Investment Type	12 Months or Less	1 - 3 years	3 - 5 years	Total
US Government Sponsored Securities	$ 13,752,186	$ 6,684,727	$ 1,851,172	22,288,085
Federal Agency Securities	5,640,596	6,271,552	7,278,374	19,190,522
Certificate of Deposits	482,430	6,652,342	3,456,273	10,591,045
Corporate Notes	494,910	-	423,988	918,898
Municipal Bonds	191,086	323,419	1,449,107	1,963,612
Money Market Mutual Funds	7,300,341	-	-	7,300,341
Local Agency Investment Fund (LAIF)	8,311,348	-	-	8,311,348
Held by Fiscal Agents:				
Money Market Mutual Funds	1,561	-	-	1,561
	$ 36,174,458	$ 19,932,040	$ 14,458,914	$ 70,565,412

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as reported by Moody’s, as of year-end for each investment type:

Investment Type	Total as of June 30, 2023	Aaa	Aa2	Aa3	A1	Unrated
US Government Sponsored Securities	$ 22,288,084	$ 22,288,084	$ -	$ -	$ -	$ -
Federal Agency Securities	19,190,522	19,190,522	-	-	-	-
Certificate of Deposits	10,591,045	-	-	-	-	10,591,045
Corporate Notes	918,898	-	-	-	-	918,898
Municipal Bonds	1,963,613	-	229,489	285,017	-	1,449,107
Money Market Mutual Funds	7,300,341	-	-	-	-	7,300,341
Local Agency Investment Fund (LAIF)	8,311,348		-	-	-	8,311,348
Held by Fiscal Agents:						
Money Market Mutual Funds	1,561	-	-	-	-	1,561
	$ 70,565,412	$ 41,478,606	$ 229,489	$ 285,017	$ -	$ 28,572,300

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.”

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Investments by fair value level	Totals	Level 1	Level 2	Level 3
United States Treasure Obligations	$ 22,288,084	$ 22,288,084	$ -	$ -
Federal Agency Securities	19,190,522	-	19,190,522	-
Certificate of Deposit	10,591,045	-	10,591,045	-
Corporate Notes	918,898	-	918,898	-
Municipal Bonds	1,963,613	-	1,963,613	-
Totals	$ 54,952,162	$ -	$ 32,664,078	$ -
Other investments				
Local Agency Investment Fund	8,311,348			
Money Market Mutual Funds	7,300,341			
Cash with Fiscal Agents				
Money Market Funds	1,561			
Totals	15,613,250			
Total Investments	$ 70,565,412			

The City has the following recurring fair value measurements as of June 30, 2023:

Local Agency Investment Funds classified in Level 2 of the fair value hierarchy are valued using specified fair value factors. Federal Agency Securities classified in Level 2 of the fair value hierarchy are valued using institutional bond quotes.

Disclosures Relating to Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City does not accept 150% of the secured public totals. At June 30, 2023, the City deposits (bank balances) were insured by the Federal Depository Insurance Corporation up to $250,000 and the remaining balances were collateralized under California Law. The cash and investments held by Bond Trustee are uninsured and uncollateralized.

Investment in State Investment Pool

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer’s Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

NOTE 4: INTERFUND TRANSFERS AND DUE TO/FROM OTHER FUNDS

	Transfers In				
Transfers Out:	General Fund	Capital Improvement Fund	Non-Major Governmental Funds	Internal Service Funds	Total
General Fund	$ -	$ 1,032,518	$ 825,058	$ 1,997,033	$ 3,854,609
Non-Major Governmental Funds	1,261,764	5,313,111	-	-	6,574,875
Internal Service Funds	-	65,000	-	-	65,000
Total	$ 1,261,764	$ 6,410,629	$ 825,058	$ 1,997,033	$ 10,494,484

Transfers from the General Fund to the Internal Service Funds were made to fund the self-insurance, equipment replacement, computer equipment replacement and building facility & maintenance funds.

Transfers from the General Fund to the Capital Improvement Fund were made to fund various capital improvement projects.

Transfers from the General Fund to the Other Governmental Funds were made to fund various capital improvement projects, the City general plan revision, a fund deficit and debt service payments.

Transfers to the General Fund from the Other Governmental Funds were made to fund various capital projects and administrative expenditures.

Transfers to the Capital Improvement Fund from the Other Governmental Funds were made to fund various capital projects.

Due from other funds	Due to other funds	Amount
General Fund	Other Governmental Funds	$ 276,296

Short-term borrowings were made from the General Fund to Other Governmental due to negative cash. This is expected to be repaid in the immediate future with reimbursements.

NOTE 5: CAPITAL ASSETS

A summary of changes in the Governmental Activities capital assets at June 30, 2023, is as follows:

	Balance at June 30, 2022	Transfers	Additions	Deletions	Balance at June 30, 2023
Capital assets not being depreciated:					
Land	$ 6,369,506	$ -	$ -	$ -	$ 6,369,506
Right of way	265,614,104	-	-	-	265,614,104
Construction in progress	2,053,357	(2,018,301)	2,857,724	-	2,892,780
Total Capital Assets Not being Depreciated	274,036,967	(2,018,301)	2,857,724	-	274,876,390
Capital assets being depreciated:					
Buildings and improvements	48,544,173	844,719	1,151,751	-	50,540,643
Furniture and fixtures	259,868	-	-	-	259,868
Vehicles and equipment	5,397,486	(771,167)	86,020	-	4,712,339
Infrastructure	198,444,727	1,173,582	2,787,743	-	202,406,052
Intangibles	-	771,167	-	-	771,167
Total Capital Assets being Depreciated	252,646,254	2,018,301	4,025,514	-	258,690,069
Less accumulated depreciation for:					
Buildings and improvements	39,330,103	-	2,325,523	-	41,655,626
Furniture and fixtures	259,125	-	743	-	259,868
Vehicles and equipment	3,942,258	(77,117)	324,095	-	4,189,236
Infrastructure	142,717,134	-	5,072,822	-	147,789,956
Intangibles	-	77,117	-	-	77,117
Total Accumulated Depreciation	186,248,620	-	7,723,183	-	193,971,803
Total Capital Assets Being Depreciated, Net	66,397,634	2,018,301	(3,697,669)	-	64,718,266
Governmental Activities Capital Assets, Net	$ 340,434,601	$ -	$ (839,945)	$ -	$ 339,594,656

Depreciation expense was charged to functions in the Statement of Activities as follows:

General government	$ 637,192
Highways and streets	4,894,705
Parks, recreation and culture	1,962,861
Internal Service Funds depreciation charges to program	228,425
	$ 7,723,183

NOTE 6: LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023	Due Within One Year
Public Offering					
Bonds payable					
2021 Series A Lease Revenue Bonds	$ 6,280,000	$ -	$ 465,000	$ 5,815,000	$ 480,000
Total	$ 6,280,000	$ -	$ 465,000	5,815,000	$ 480,000
			Net unamortized bond premium	1,074,244	
			Net Long-Term Debt	$ 6,889,244	

Bonds Payable

2021 Series A Lease Revenue Refunding Bonds

The 2021 Series A Lease Revenue Refunding Bonds were originally issued on June 1, 2021, in the principal amount of $6,735,000. Interest is paid semiannually on December 1 and June 1. The interest rate on these bonds is 4.0%. The purpose of these bonds is to refund the 2002 Series A Lease Revenue Bonds and to cover issuance costs of the 2021 Series A bonds.

The following events are Events of Default under the Indenture: (i) if the City fails; (A) to pay rental payment payable under the lease agreement when the same becomes due and payable, time being expressly declared to be of the essence in the lease agreement; or (B) to keep, observe or perform any other term, covenant or condition contained therein or in the indenture to be kept or performed by the City; or (ii) upon the happening of any of the events specified in the lease agreement, the City is deemed to be in default thereunder and it is lawful for the Authority to exercise any and all remedies available pursuant to law or granted pursuant thereto. The 2021 Bonds are not subject to acceleration in the event of payment default. The City completed the refunding to reduce its total service payments by $1,736,355 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of $1,632,706.

Credit Risk

The Counterparty, JPMorgan Chase, has the following credit ratings of: (i) Standard & Poor's, AA+ and (ii) Moody's, Aa2.

Payments and Associated Debt

As of June 30, 2023, debt service requirements of the Bonds and the Counterparty's payments, assuming current interest rates remain the same for remainder of the term of the Agreement, are as follows:

	Governmental Activities	
June 30	Principal	Interest
2024	$ 480,000	$ 232,600
2025	505,000	213,400
2026	530,000	193,200
2027	550,000	172,000
2028	580,000	150,000
2029-2033	3,170,000	383,000
Totals	$ 5,815,000	$ 1,344,200

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Compensated Absences

The City's policies relating to compensated absences are described in Note 1. This liability, amounting to $1,005,543 at June 30, 2023, is expected to be paid in future years from future resources, typically liquidated from the General Fund.

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023	Due Within One Year
Compensated absences	$ 942,925	$ 461,862	$ 399,244	$ 1,005,543	$ 300,000

NOTE 7: LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION

The City of Diamond Bar is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

A. Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to $100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $100,000 to $500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from $500,000 to $50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is $50 million per occurrence. Subsidence losses also have a $50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: https://cjpia.org/coverage/risk-sharing-pools/.

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to $75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $75,000 to $200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from $200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

NOTE 7: LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION (CONTINUED)

For 2022-23 the Authority's pooled retention is $1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to $1 million. Coverage from $1 million to $5 million is purchased through reinsurance policies, and Employer's Liability losses from $5 million to $10 million are pooled among members.

B. Purchased Insurance

Pollution Legal Liability Insurance

The City of Diamond Bar participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Diamond Bar. Coverage is on a claims-made basis. There is a $250,000 deductible. The Authority has an aggregate limit of $20 million.

Property Insurance

The City of Diamond Bar participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Diamond Bar property is currently insured according to a schedule of covered property submitted by the City of Diamond Bar to the Authority. City of Diamond Bar property currently has all-risk property insurance protection in the amount of $38,767,939. There is a $10,000 deductible per occurrence except for non-emergency vehicle insurance which has a $2,500 deductible.

Earthquake and Flood Insurance

The City of Diamond Bar purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Diamond Bar property currently has earthquake protection in the amount of Non Participant. There is a deductible of 5% per unit of value with a minimum deductible of $100,000.

Crime Insurance

The City of Diamond Bar purchases crime insurance coverage in the amount of $1,000,000 with a $2,500 deductible. The fidelity coverage is provided through the Authority.

Special Event Tenant User Liability Insurance

The City of Diamond Bar further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Diamond Bar according to a schedule. The City of Diamond Bar then pays for the insurance. The insurance is facilitated by the Authority.

C. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2022-23.

NOTE 8: PENSIONS

A. Rate Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the miscellaneous pools. Accordingly, rate plans miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the risk pools. The City sponsors two rate plans. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

B. Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to rate plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Optional Settlement 2W Death Benefit or the Lump Sum Death Benefit. The cost of living adjustments for each rate plan are applied as specified by the Public Employees' Retirement Law. The Rate Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous*	Misc. PEPRA
Hire dates	Prior to January 1, 2013	January 1, 2013 and thereafter
Benefit formula	2% @55	2% @62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	Minumum 50 yrs	Minumum 52 yrs
Monthly benefits, as a percentage of eligible compensation	1.425% - 2.418%, 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	6.920%	6.750%
Required employer contribution rates	10.320%	7.470%
Payment towards UAL	$ 579,146	$ 3,484

* Miscellaneous rate plan is closed to new entrants.

C. Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total rate plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City's contributions to the Plan for the year ended June 30, 2023, were $1,157,713.

NOTE 8: PENSIONS (CONTINUED)

D. Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of $7,903,769 and is expected to be paid in future years from future resources, typically liquidated from the General Fund.

The City's net pension liability for the Plan is measured as the proportionate share of thenet pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2023, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to Plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Rate Plan as of June 30, 2021 and 2022, was as follows:

	Miscellaneous
Proportion - June 30, 2021	0.05574%
Proportion - June 30, 2022	0.06843%
Change - Increase (Decrease)	0.01269%

For the year ended June 30, 2023, the City recognized pension expense of $1,471,233. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 158,723	$ (106,306)
Net Difference between projected and acutal earnings on pension plans investments	1,447,761	-
Adjustment due to difference in proportions	439,481	-
Change in assumptions	809,906	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	(283,220)
Current year contributions that occurred after the measurement date of June 30, 2022	1,157,714	-
SubTotal	$ 4,013,585	$ (389,526)

NOTE 8: PENSIONS (CONTINUED)

$1,157,713 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2024	$ 676,344
2025	581,299
2026	323,203
2027	885,500
Thereafter	-
Total	$ 2,466,346

E. <u>Actuarial Methods and Assumptions Used to Determine Total Pension Liability</u>

For the measurement period ended June 30, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2022 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2022 measurement period was determinded by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Investment rate of return	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality rate table [1]	Derived using CalPERS' Membership Date for all Funds
Post-retirement benefit increase	Contract COLA up to 2.30% until Purchase Power Protection Allowance Floor on Purchasing Power applies.

[1] The mortality table was used developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to the December 2021 experience study report (based on CalPERS demographic date from 2010 to 2019) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from 2010 to 2019, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

F. <u>Change in Assumptions</u>

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes

NOTE 8: PENSIONS (CONTINUED)

are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

G. Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term return expectations as well as the expected pension fund cash flows. Using historical returns and forecasted information of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital assumptions applied to determine the discount rate and asset allocation.

Asset Class [1]	Assumed asset allocation	Real return
Global equity - Cap-weighted	30.00%	4.54%
Global equity - Non-Cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

NOTE 8: PENSIONS (CONTINUED)

H. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Plan's Net Pension Liability/(Assets)	$ 12,815,518	$ 7,903,769	$ 3,862,619

I. Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net positions is available in the separately issued CalPERS financial reports.

NOTE 9: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The City provides an agent multiple employer OPEB plan to retirees through the California Employers' Retiree Benefit Trust (CERBT). Information on the plan is available from CalPERS on their website www.calpers.ca.gov.

A. Plan Description

Plan administration. Medical coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA), also referred to as PERS Health. Employees may choose from a variety of HMO and PPO medical and prescription drug options.

Benefits provided. The City sets its monthly contribution rates for health insurance on behalf of active employees according to the PEMHCA statutory minimum $136/month for calendar 2019 and $139/month for calendar 2020.) These amounts are indexed (increased) in all future years according to the rate of medical inflation. The City pays a 0.33% of premium administrative charge for all active employees. The City offers the same medical plans to its retirees as to its active employees, with the general exception that upon reaching age 65 and becoming eligible for Medicare, the retiree must join one of the Medicare Supplement coverages offered under PEMHCA.

Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service (age 52 and 5 for hires after 1/1/13), or by attaining qualifying disability retirement status. The City's contribution on behalf of all eligible retirees is the same as for active employees $139/month for calendar 2020 and $219/month for calendar 2021, increased in all future years according to the rate of medical inflation.) The City pays a 0.33% of premium administrative charge on behalf of all retirees.

B. Plan membership

At June 30, 2023, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	11
Active plan members	61
Total	72

NOTE 9: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

C. Contributions

The City currently contributes the full Actuarially Determined Contribution (ADC) to the CERBT OPEB trust, in addition to paying benefit payments outside the trust. For the measurement date ended June 30, 2023, the City's total cash contributions were $106,000 in total payments, which were recognized as a reduction to the OPEB liability.

D. Investments

The CERBT was established for public agencies to pre-fund other post-employment benefit obligations. Employers may choose amount three different investment strategies. The City of Diamond Bar has selected Strategy 3. Compared to strategies 1 and 2, this portfolio consists of a higher percentage of bonds and other assets and a lesser percentage of equities. The following was the investment committee approved asset allocation targets as of June 30, 2022 (CalPERS ACFR for fiscal year 2022-2023 was not available as of the issuance of the City's ACFR):

Asset Class	Target Allocation
Global Equity	22%
U.S. Fixed Income	49%
TIPS	16%
REITs	8%
Commodoties	5%
Total	100%

E. Net OPEB Liability

The City's Net OPEB Liability was measured as of June 30, 2023 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2022 and is expected to be paid in future years from future resources, typically liquidated from the General Fund.

F. Actuarial assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Level Percent of Pay Cost Method
Actuarial Assumptions	
Discount Rate	5.75%
Salary increases	2.75%
Inflation rate	2.50%
Investment rate of return	5.75%, net of OPEB plan investment expense
Healthcare cost trend rate	4.00%

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Retirement and termination assumptions used were based on a review of plan experience and the actuary's best estimate of future plan experience.

NOTE 9: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

G. Discount rate

The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that the City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

H. Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Assets) (c) = (a) - (b)
Balance at June 30, 2022	$ 1,278,930	$ 547,852	$ 731,078
Changes recognized for the measurement period:			
Service Cost	76,892	-	76,892
Interest	74,864	-	74,864
Expected Investment Income		34,017	(34,017)
Changes of assumptions	23,517	-	23,517
Contributions - employer	-	118,784	(118,784)
Experience Gains	(162,768)	-	(162,768)
Net investment income	-	(23,947)	23,947
Benefit payments	(30,784)	(30,784)	-
Administrative expense	-	(486)	486
Net changes	(18,279)	97,584	(115,863)
Balance at June 30, 2023	$ 1,260,651	$ 645,436	$ 615,215

*Contributions-employer amount includes implicit subsidy associated with benefits paid.

I. Sensitivity of the Net OPEB liability to changes in the discount rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.75 percent) or 1 percentage-point higher (6.75 percent) than the current discount rate:

	Discount Rate - 1% (4.75%)	Current Discount Rate (5.75%)	Discount Rate +1% (6.75%)
Net OPEB liability (asset)	$ 462,538	$ 615,215	$ 798,976

NOTE 9: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

J. Sensitivity of the Net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.00 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	Trend Rate - 1% (4.00% decreasing to 3.00%)	Trend Rate (5.00% decreasing to 4.00%)	Trend Rate +1% (6.00% decreasing to 5.00%)
Net OPEB liability (asset)	$ 858,121	$ 615,215	$ 421,702

K. Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the City's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	$ 160,886	$ -
Difference between expected and actual experience	3,909	(187,440)
Net differences between projected and actual return investments	58,589	-
Total	$ 223,384	$ (187,440)

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2024	$ 17,184
2025	17,492
2026	24,412
2027	6,545
2028	(486)
Thereafter	(29,203)
Total	$ 35,944

NOTE 10: LEASES

A. Leases Receivable and Deferred Inflows of Resources

The City leases of communication equipment and land for the installation of cellular towers. The terms range from 60 months to 360 months as of the contract commencement date. Some leases have extension options of ranging from 60 months to 25 years. An initial lease receivable was recorded in the amount of $2,742,364. As of June 30, 2023, the value of the lease receivable is $2,212,295. The value of the deferred inflow of resources as of June 30, 2023 was $2,212,295, and the City recognized lease revenue of $96,689 during the fiscal year.

The principal and interest payments that are expected to maturity are as follows:

Principal and Interest Requirements to Maturity

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	$ 118,790	$ 86,443	$ 205,233
2025	123,628	81,605	205,233
2026	129,342	76,586	205,928
2027	129,723	71,338	201,061
2028	130,714	66,174	196,888
2029 - 2033	725,155	247,288	972,443
2034 - 2038	717,095	92,800	809,895
2039 - 2041	137,848	8,572	146,420
Total	$ 2,212,295	$ 730,806	$ 2,943,101

NOTE 11: CLASSIFICATION OF FUND BALANCE

Details of the fund balance classifications at June 30, 2023, are as follows:

Restricted for Community Development Projects:	
Integrated Waste Management	$ 1,973,610
Trails & Bikeways Fund	25,001
Beverage Center Recycling	107,482
Used Oil Block Grant	28,823
Park and Facility Development	1,567,641
CDBG	22
PEG Fees	706,893
CASP Fees (SB1186)	26,331
Total	4,435,803
Restricted for Public Safety:	
COPS	353,280
CLEEP	8,351
Hazard Mitigation Grant	5,187
Total	366,818
Restricted for Highways and Streets:	
State Gas Tax	776,638
Proposition A Transit	1,934,977
Proposition C Transit	3,293,153
Transportation Grant	1,072
Traffic Improvement	8,091,761
Sewer Mitigation	57,234
Road Maintenance & Rehab	4,081,076
Measure R Local Return	1,279,993
Waste Hauler	335,428
Street Beautification	336,939
Measure W Local Return	1,572,838
Total	21,761,109
Restricted for Capital Projects:	
Air Quality Improvement	211,290
Measure M Local Return	2,079,201
Landscape Maintenance District	452,582
Total	2,743,073
Restricted for Debt Service:	
Public Financing Authority	1,561
Committed for Emergency Contingencies:	
General Fund	7,981,243
Assigned to Other Post Employment Benefits (OPEB):	
General Fund	291,182
Assigned to Technology Reserve:	
General Fund	591,346
Assigned for Capital Improvement Projects:	
General Fund	1,308,920
Assigned for Tres Hermanos Conservancy:	
General Fund (Tres Hermanos Fund 248)	6,910
Assigned for General Plan Update:	
General Fund (General Plan Update Fund 103)	518,504
Assigned for Law Enforcement Reserve:	
General Fund (Law Enforcement Reserve Fund 102)	941,362
Assigned for Community Organization Support:	
General Fund (Community Organization Support Fund 101)	2,062
Unassigned Fund Balance:	
General Fund (Fund 100)	22,959,067
Other Governmental Funds:	(725,794)
Total Unassigned Funds	$ 22,233,273

NOTE 12: TRES HERMANOS CONSERVATION AUTHORITY JOINT POWERS AUTHORITY

The Tres Hermanos Conservation Authority (Authority) is a joint powers agency created by a joint powers agreement between the cities of Chino Hills and Diamond Bar, California, dated January 19, 1999. It was created pursuant to Articles 1 through 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, in accordance with the provisions of the Marks-Roos Local Bond Pooling Act of 1985. The purpose of the Authority is to create a public entity to coordinate the overall development and conservation of a large undeveloped area of real property known as the Tres Hermanos Ranch, by preparing studies, plans, environmental reviews and similar information and by making recommendations to its members to take such actions including, but not limited to, acquisition and eminent domain as are necessary to implement its recommendations.

On February 6, 2019, the Authority amended and restated its agreement with the City of Industry pursuant to a Settlement Agreement. The City of Industry purchased the Tres Hermanos Ranch from the Successor Agency to Industry's Urban Development Agency. The City of Chino Hills and Diamond Bar contributed 10% of the purchase of the land. With the new agreement each City will contribute approximately $70,000 each year for ranch expenses and maintenance costs. The Board shall consist of seven voting directors and one alternate from each City, actions taken require at least four approval. Three must come from the City of Industry, two from City of Chino Hills and two from City of Diamond Bar.

The Authority is a public entity separate and apart from each of the Cities. The funds of the Authority have not been included within the scope of the basic financial statements of the Cities because the Authority has its own governing board that has responsibility over the operations of the Authority.

NOTE 13: CONSTRUCTION COMMITMENTS

The City had the following material construction commitments at June 30, 2023:

Residential & Collector Streets Rehabilitation (Area 2)	$	2,660,276
Total significant commitments	$	2,660,276

NOTE 14: SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through December 8, 2023, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2023, that required recognition or disclosure in these financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	**Final**	**Amounts**	**(Negative)**
Budgetary Fund Balance, July 1, as restated	$ 30,226,704	$ 30,226,704	$ 30,226,704	$ -
Resources (Inflows):				
Taxes	15,045,869	15,428,869	16,445,551	1,016,682
Licenses and Permits	2,297,168	2,410,433	2,275,281	(135,152)
Intergovernmental	10,709,172	10,709,172	10,712,016	2,844
Charges for Services	1,354,205	1,566,705	1,593,826	27,121
Use of Money and Property	630,000	630,000	498,274	(131,726)
Fines and Forfeitures	370,000	370,000	383,058	13,058
Miscellaneous	288,580	288,580	184,345	(104,235)
Transfers In	1,246,825	1,309,925	1,261,764	(48,161)
Total Resources	31,941,819	32,713,684	33,354,115	640,431
Amounts Available for Appropriations	**62,168,523**	**62,940,388**	**63,580,819**	**640,431**
Charges to Appropriations (Outflow):				
General Government				
City Council	212,260	212,260	210,861	1,399
City Attorney	205,000	205,000	152,608	52,392
City Manager/Clerk	1,284,959	1,281,959	1,178,575	103,384
Finance	946,669	946,669	835,132	111,537
Human Resources	525,369	525,369	532,727	(7,358)
Information Systems	1,483,592	1,522,242	1,404,910	117,332
Public Information	847,148	854,364	686,820	167,544
Contribution to OPEB Trust	88,000	88,000	88,000	-
City Clerk's Office	491,956	491,956	445,104	46,852
Diamond Bar Center	1,486,548	1,522,548	1,485,591	36,957
Subtotal General Government	7,571,501	7,650,367	7,020,328	630,039
Public Safety				
Law Enforcement	7,829,866	7,829,866	7,723,306	106,560
Volunteer Patrol	4,000	4,000	1,108	2,892
Fire Protection	7,500	7,500	7,359	141
Animal Control	391,700	391,700	373,879	17,821
Emergency Preparedness	47,100	47,100	39,173	7,927
Subtotal Public Safety	8,280,166	8,280,166	8,144,825	135,341
Community Development				
Community Development & Planning Admin.	881,439	1,791,995	1,262,295	529,700
Economic Development	277,676	277,676	198,103	79,573
Building & Safety	997,599	1,100,623	964,868	135,755
Neighborhood Improvement	485,540	484,040	445,228	38,812
Subtotal Community Development	2,642,254	3,654,334	2,870,494	783,840
Parks and recreation				
Parks and Recreation Admin.	2,419,632	2,560,632	1,941,947	618,685
Subtotal Parks and recreation	2,419,632	2,560,632	1,941,947	618,685
Public works				
Public Works Administration	692,822	697,969	524,606	173,363
Engineering	665,333	698,643	458,709	239,934
Road Maintenance	1,882,089	2,103,664	1,703,884	399,780
Landscape Maintenance	393,270	393,270	283,241	110,029
Parks & Facilities Maintenance	1,598,585	1,713,039	1,524,736	188,303
Civic Center	642,594	694,044	652,844	41,200
Subtotal Public works	5,874,693	6,300,629	5,148,020	1,152,609
Transfers Out	4,613,828	5,269,990	3,854,609	1,415,381
Total Charges to Appropriations	**31,402,074**	**33,716,118**	**28,980,223**	**4,735,895**
Budgetary Fund Balance, June 30	**$ 30,766,449**	**$ 29,224,270**	**$ 34,600,596**	**$ 5,376,326**

See Notes to Required Supplementary Information.

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Traffic Improvement Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 7,144,649	$ 7,144,649	$ 7,144,649	$ -
Resources (Inflows):				
Intergovernmental	846,910	846,910	853,518	6,608
Use of money and property	81,600	81,600	93,594	11,994
Total Resources	928,510	928,510	947,112	18,602
Amounts Available for Appropriations	**8,073,159**	**8,073,159**	**8,091,761**	**18,602**
Budgetary Fund Balance, June 30	**$ 8,073,159**	**$ 8,073,159**	**$ 8,091,761**	**$ 18,602**

See Notes to Required Supplementary Information.

CITY OF DIAMOND BAR
Miscellaneous Rate Plan
Schedule of Proportionate Share of the Net Pension Liability
As of June30, for the Last Ten Fiscal Years (1)

	2015	2016	2017	2018
Proportion of the Net Pension Liability	0.05155%	0.04862%	0.05325%	0.05584%
Proportionate Share of the Net Pension Liability	$ 3,207,669	$ 3,337,560	$ 4,607,967	$ 5,537,585
Covered Payroll	$ 4,376,117	$ 4,650,369	$ 4,551,711	$ 4,680,371
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	73.30%	71.77%	101.24%	118.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%

Notes to Schedule:

Benefit Changes:

The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2021 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2021 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions:

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

2019	2020	2021	2022	2023
0.05629%	0.05926%	0.06032%	0.05574%	0.06843%
$ 5,424,380	$ 6,072,351	$ 6,563,014	$ 3,014,631	$7,903,769
$ 5,088,134	$ 5,077,171	$ 5,227,663	$ 5,417,136	$ 5,433,199
106.61%	119.60%	125.54%	55.65%	145.47%
75.26%	75.26%	75.10%	88.29%	76.68%

See Notes to Required Supplementary Information.

CITY OF DIAMOND BAR
Miscellaneous Rate Plan
Schedule of Plan Contributions - Pension
As of June30, for the Last Ten Fiscal Years (1)

	2015	2016	2017	2018
Actuarially Determined Contribution	$ 403,553	$ 460,471	$ 386,806	$ 418,739
Contribution in Relation to the Actuarially Determined Contribution	(403,553)	(587,684)	(542,557)	(618,219)
Contribution Deficiency (Excess)	$ -	$ (127,213)	$ (155,751)	$ (199,480)
Covered Payroll	$ 4,650,369	$ 4,551,711	$ 4,680,371	$ 5,088,134
Contributions as a Percentage of Covered Payroll	8.68%	12.91%	11.59%	12.15%

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

Note to Schedule:

Valuation Date:	June 30, 2021
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Asset valuation method	Direct rate smoothing
Inflation	2.300%
Payroll Growth	2.750%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.90% (net of administrative expenses)
Retirement Age	All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from 2010 to 2019, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.
Mortality	The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 80 percent of Society of Actuaries' Scale 2020. For more details on this table, please refer to the 2021 experience study report.

	2019	2020	2021	2022	2023
	$ 710,349	$ 1,005,631	$ 939,844	$ 1,243,813	$ 1,157,713
	(710,349)	(1,005,631)	(939,844)	(1,243,813)	(1,157,713)
	$ -	$ -	$ -	$ -	$ -
	$ 5,077,171	$ 5,227,663	$ 5,417,136	$ 5,433,199	$ 5,404,127
	13.99%	19.24%	17.35%	22.89%	21.42%

See Notes to Required Supplementary Information.

CITY OF DIAMOND BAR
Schedule of Changes in the Net OPEB Liability and Related Ratios
As of June 30, for the Last Ten Fiscal Years (1)

	2018	2019	2020
Total OPEB Liability			
Service cost	$ 55,838	$ 57,513	$ 41,976
Interest on the total OPEB liability	41,616	46,352	53,641
Actual and expected experience difference	-	-	7,817
Changes in assumptions	-	-	10,172
Benefit payments	(17,988)	(19,058)	(28,427)
Net change in total OPEB liability	**79,466**	**84,807**	**85,179**
Total OPEB liability - beginning	**702,459**	**781,925**	**866,732**
Total OPEB liability - ending (a)	**781,925**	**866,732**	**951,911**
Plan Fiduciary Net Position			
Contribution - employer	102,579	106,186	116,427
Net investment income	7,102	18,278	20,741
Actual and expected experience difference	-	-	1,529
Benefit payments	(17,988)	(19,058)	(28,427)
Administrative expense	(132)	(209)	(302)
Net change in plan fiduciary net position	**91,561**	**105,197**	**109,968**
Plan fiduciary net position - beginning	**149,069**	**240,630**	**345,827**
Plan fiduciary net position - ending (b)	**240,630**	**345,827**	**455,795**
Net OPEB Liability/(Assets) - ending (a) - (b)	**$ 541,295**	**$ 520,905**	**$ 496,116**
Plan fiduciary net position as a percentage of the total OPEB liability	30.77%	39.90%	47.88%
Covered-employee payroll	$ 5,163,684	$ 5,077,171	$ 6,113,473
Net OPEB liability as a percentage of covered-employee payroll	10.48%	10.26%	8.12%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

<u>Changes in assumptions:</u>
There were no assumption changes since the prior measurement date.

2021	2022	2023
$ 43,235	$ 74,834	$ 76,892
57,448	67,934	74,864
(54,653)	-	(162,768)
186,125	-	23,517
(32,136)	(15,768)	(30,784)
200,019	**127,000**	**(18,279)**
951,911	**1,151,930**	**1,278,930**
1,151,930	**1,278,930**	**1,260,651**
32,136	103,768	118,784
27,335	32,264	34,017
34,612	(89,300)	(23,947)
(32,136)	(15,768)	(30,784)
(414)	(440)	(486)
61,533	**30,524**	**97,584**
455,795	**517,328**	**547,852**
517,328	**547,852**	**645,436**
$ 634,602	**$ 731,078**	**$ 615,215**
44.91%	42.84%	51.20%
$ 5,417,136	$ 5,433,199	$ 5,404,127
11.71%	13.46%	11.38%

CITY OF DIAMOND BAR
Schedule of Contributions - OPEB
As of June 30, for the Last Ten Fiscal Years (1)

	2018	2019	2020
Actuarially Determined Contribution	$ 84,591	$ 87,129	$ 116,427
Contribution in Relation to the Actuarially Determined Contributions	(102,579)	(106,186)	(116,427)
Contribution Deficiency (Excess)	$ (17,988)	$ (19,057)	$ -
Covered-employee payroll	$ 5,163,684	$ 5,077,171	$ 6,113,473
Contributions as a percentage of covered-employee payroll	1.64%	1.72%	1.90%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2022 were from the June 30, 2023 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Level Percent of Pay Cost Method
Discount rate	5.75%
Salary increases	2.75%
Investment rate of return	5.75%
Healthcare cost trend rates	4.00% for 2022-23 and after
PEMHCA Minimum Increase Rate	4.10% for 2022 and later years
Retirement and termination	Retirement and termination assumptions used were based on the 2021 CalPERS 2.0%@62 Rates for Miscellaneous Employees table created by CalPERS.
Mortality	The mortality assumptions are based on the 2021 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

	2021	2022	2023
	$ 32,136	$ 103,768	$ 106,000
	(32,136)	(103,768)	-
	$ -	$ -	$ 106,000
	$ 5,417,136	$ 5,433,199	$ 5,404,127
	0.59%	1.91%	1.96%

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NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Data

General Budget Policies

The City adopts an annual budget prepared on the modified accrual basis of accounting for its governmental funds and on the accrual basis of accounting for its proprietary funds. The City Manager or his designee is authorized to transfer budgeted amounts between the accounts of any department or funds that are approved by City Council. Prior year appropriations lapse unless they are approved for carryover into the following fiscal year. Expenditures may not legally exceed appropriations at the department level.

Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Compliance with Budgetary Limitations

The General Fund Human Resources department exceeded appropriations by $7,358 for the year ended June 30, 2023. The General Fund did not exceed total budgeted appropriations.

The Transportation Grant and MTA Grant special revenue funds did not adopt budgets for the fiscal year ended June 30, 2023.

CITY OF DIAMOND BAR
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	State Gas Tax Fund	**Proposition A Transit Fund**	**Proposition C Transit Fund**	**Transportation Grant Fund**
Assets:				
Pooled cash and investments	$ 655,991	$ 1,969,412	$ 3,336,641	$ 1,072
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	120,647	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 776,638**	**$ 1,969,412**	**$ 3,336,641**	**$ 1,072**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ 26,069	$ 38,396	$ -
Accrued liabilities	-	8,366	5,092	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	**-**	**34,435**	**43,488**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Highways and streets	776,638	1,934,977	3,293,153	1,072
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	**776,638**	**1,934,977**	**3,293,153**	**1,072**
Total Liabilities and Fund Balances	**$ 776,638**	**$ 1,969,412**	**$ 3,336,641**	**$ 1,072**

CITY OF DIAMOND BAR
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023 **(Continued)**

	Special Revenue Funds			
	Integrated Waste Management Fund	Sewer Mitigation Fund	Air Quality Improvement Fund	Measure M Local Return Fund
Assets:				
Pooled cash and investments	$ 1,901,179	$ 57,234	$ 193,212	$ 2,081,201
Receivables:				
Accounts	158,436	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	-	18,078	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 2,059,615**	**$ 57,234**	**$ 211,290**	**$ 2,081,201**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ 18,634	$ -	$ -	$ 2,000
Accrued liabilities	13,590	-	-	-
Unearned revenues	53,781	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	**86,005**	**-**	**-**	**2,000**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances:				
Restricted for:				
Community development projects	1,973,610	-	-	-
Public safety	-	-	-	-
Highways and streets	-	57,234	-	-
Capital Projects	-	-	211,290	2,079,201
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	**1,973,610**	**57,234**	**211,290**	**2,079,201**
Total Liabilities and Fund Balances	**$ 2,059,615**	**$ 57,234**	**$ 211,290**	**$ 2,081,201**

CITY OF DIAMOND BAR
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Road Maintenance & Rehab	**Trails & Bikeways Fund**	**MTA Grant Fund**	**Beverage Center Recycling Grant Fund**
Assets:				
Pooled cash and investments	$ 3,866,102	$ 25,001	$ -	$ 107,482
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	214,974	-	56,599	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 4,081,076**	**$ 25,001**	**$ 56,599**	**$ 107,482**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	56,599	-
Total Liabilities	**-**	**-**	**56,599**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	56,599	-
Total Deferred Inflows of Resources	**-**	**-**	**56,599**	**-**
Fund Balances:				
Restricted for:				
Community development projects	-	25,001	-	107,482
Public safety	-	-	-	-
Highways and streets	4,081,076	-	-	-
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	(56,599)	-
Total Fund Balances	**4,081,076**	**25,001**	**(56,599)**	**107,482**
Total Liabilities and Fund Balances	**$ 4,081,076**	**$ 25,001**	**$ 56,599**	**$ 107,482**

CITY OF DIAMOND BAR
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023 **(Continued)**

	Special Revenue Funds			
	Used Oil Block Grant Fund	Park and Facility Development Fund	CDBG Fund	COPS Fund
Assets:				
Pooled cash and investments	$ 28,823	$ 1,567,641	$ -	$ 353,280
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	432,236	-
Due from other governments	-	-	78,188	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 28,823**	**$ 1,567,641**	**$ 510,424**	**$ 353,280**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ 39,858	$ -
Accrued liabilities	-	-	2,703	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	432,236	-
Due to other funds	-	-	35,605	-
Total Liabilities	**-**	**-**	**510,402**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances:				
Restricted for:				
Community development projects	28,823	1,567,641	22	-
Public safety	-	-	-	353,280
Highways and streets	-	-	-	-
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	**28,823**	**1,567,641**	**22**	**353,280**
Total Liabilities and Fund Balances	**$ 28,823**	**$ 1,567,641**	**$ 510,424**	**$ 353,280**

CITY OF DIAMOND BAR
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	CLEEP Fund	**Landscape Maintenance District Fund**	**Measure R Local Return Fund**	**PEG Fees Fund**
Assets:				
Pooled cash and investments	$ 8,351	$ 659,197	$ 1,279,993	$ 687,720
Receivables:				
Accounts	-	17,111	-	19,173
Notes and loans	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 8,351**	**$ 676,308**	**$ 1,279,993**	**$ 706,893**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ 219,772	$ -	$ -
Accrued liabilities	-	3,954	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	**-**	**223,726**	**-**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	706,893
Public safety	8,351	-	-	-
Highways and streets	-	-	1,279,993	-
Capital Projects	-	452,582	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	**8,351**	**452,582**	**1,279,993**	**706,893**
Total Liabilities and Fund Balances	**$ 8,351**	**$ 676,308**	**$ 1,279,993**	**$ 706,893**

CITY OF DIAMOND BAR
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023 **(Continued)**

	Special Revenue Funds			
	Waste Hauler Fund	**CASP Fees (SB1186)**	**Measure A Neighborhood Park Acts Fund**	**Street Beautification**
Assets:				
Pooled cash and investments	$ 298,085	$ 45,473	$ -	$ 336,939
Receivables:				
Accounts	37,343	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	-	184,000	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 335,428**	**$ 45,473**	**$ 184,000**	**$ 336,939**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	184,000	-
Due to other governments	-	19,142	-	-
Due to other funds	-	-	184,000	-
Total Liabilities	**-**	**19,142**	**368,000**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances:				
Restricted for:				
Community development projects	-	26,331	-	-
Public safety	-	-	-	-
Highways and streets	335,428	-	-	336,939
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	(184,000)	-
Total Fund Balances	**335,428**	**26,331**	**(184,000)**	**336,939**
Total Liabilities and Fund Balances	**$ 335,428**	**$ 45,473**	**$ 184,000**	**$ 336,939**

CITY OF DIAMOND BAR
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			Debt Service Fund
	Local Roadway Safety Plan Fund	**Measure W Local Return Fund**	**Hazard Mitigation Grant Fund**	**Public Financing Authority**
Assets:				
Pooled cash and investments	$ -	$ 1,587,046	$ 5,187	$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	1,561
Total Assets	**$ -**	**$ 1,587,046**	**$ 5,187**	**$ 1,561**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ 11,110	$ -	$ -
Accrued liabilities	-	3,098	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	92	-	-	-
Total Liabilities	**92**	**14,208**	**-**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	5,187	-
Highways and streets	-	1,572,838	-	-
Capital Projects	-	-	-	-
Debt service	-	-	-	1,561
Unassigned	(92)	-	-	-
Total Fund Balances	**(92)**	**1,572,838**	**5,187**	**1,561**
Total Liabilities and Fund Balances	**$ -**	**$ 1,587,046**	**$ 5,187**	**$ 1,561**

CITY OF DIAMOND BAR
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

		Total Governmental Funds
Assets:		
Pooled cash and investments	$	21,052,262
Receivables:		
Accounts		232,063
Notes and loans		432,236
Due from other governments		672,486
Restricted assets:		
Cash and investments with fiscal agents		1,561
Total Assets	**$**	**22,390,608**
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable	$	355,839
Accrued liabilities		36,803
Unearned revenues		237,781
Due to other governments		451,378
Due to other funds		276,296
Total Liabilities		**1,358,097**
Deferred Inflows of Resources:		
Unavailable revenues		56,599
Total Deferred Inflows of Resources		**56,599**
Fund Balances:		
Restricted for:		
Community development projects		4,435,803
Public safety		366,818
Highways and streets		13,669,348
Capital Projects		2,743,073
Debt service		1,561
Unassigned		(240,691)
Total Fund Balances		**20,975,912**
Total Liabilities and Fund Balances	**$**	**22,390,608**

CITY OF DIAMOND BAR
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	State Gas Tax Fund	**Proposition A Transit Fund**	**Proposition C Transit Fund**	**Transportation Grant Fund**
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,379,323	1,490,789	1,236,567	-
Charges for services	-	67,550	-	-
Use of money and property	13,531	29,543	35,603	-
Miscellaneous	-	-	-	-
Total Revenues	**1,392,854**	**1,587,882**	**1,272,170**	**-**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	14,744	-	-
Public works	-	576,373	470,587	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**-**	**591,117**	**470,587**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,392,854	996,765	801,583	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(1,112,262)	(1,099,657)	(221,606)	-
Total Other Financing Sources (Uses)	**(1,112,262)**	**(1,099,657)**	**(221,606)**	**-**
Net Change in Fund Balances	280,592	(102,892)	579,977	-
Fund Balances, Beginning of Year	496,046	2,037,869	2,713,176	1,072
Fund Balances, End of Year	**$ 776,638**	**$ 1,934,977**	**$ 3,293,153**	**$ 1,072**

CITY OF DIAMOND BAR
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2023 **(Continued)**

	Special Revenue Funds			
	Integrated Waste Management Fund	**Sewer Mitigation Fund**	**Air Quality Improvement Fund**	**Measure M Local Return Fund**
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	27,180	-	93,387	1,048,814
Charges for services	636,165	-	-	-
Use of money and property	-	668	2,697	33,112
Miscellaneous	16,181	-	-	-
Total Revenues	**679,526**	**668**	**96,084**	**1,081,926**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	512,386	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	44,047
Capital outlay	-	-	115,262	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**512,386**	**-**	**115,262**	**44,047**
Excess (Deficiency) of Revenues Over (Under) Expenditures	167,140	668	(19,178)	1,037,879
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,400,525)
Total Other Financing Sources (Uses)	**-**	**-**	**-**	**(1,400,525)**
Net Change in Fund Balances	167,140	668	(19,178)	(362,646)
Fund Balances, Beginning of Year	1,806,470	56,566	230,468	2,441,847
Fund Balances, End of Year	**$ 1,973,610**	**$ 57,234**	**$ 211,290**	**$ 2,079,201**

CITY OF DIAMOND BAR
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	Road Maintenance & Rehab	**Trails & Bikeways Fund**	**MTA Grant Fund**	**Beverage Center Recycling Grant Fund**
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,226,816	38,689	-	13,817
Charges for services	-	-	-	-
Use of money and property	42,274	-	-	1,165
Miscellaneous	-	-	-	-
Total Revenues	**1,269,090**	**38,689**	**-**	**14,982**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	4,428
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**-**	**-**	**-**	**4,428**
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,269,090	38,689	-	10,554
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(407,353)	(16,617)	-	-
Total Other Financing Sources (Uses)	**(407,353)**	**(16,617)**	**-**	**-**
Net Change in Fund Balances	861,737	22,072	-	10,554
Fund Balances, Beginning of Year	3,219,339	2,929	(56,599)	96,928
Fund Balances, End of Year	**$ 4,081,076**	**$ 25,001**	**$ (56,599)**	**$ 107,482**

CITY OF DIAMOND BAR
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2023 **(Continued)**

	Special Revenue Funds			
	Used Oil Block Grant Fund	**Park and Facility Development Fund**	**CDBG Fund**	**COPS Fund**
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	8,557	708,785	293,720	165,271
Charges for services	-	-	-	-
Use of money and property	292	11,708	-	5,051
Miscellaneous	-	-	-	-
Total Revenues	**8,849**	**720,493**	**293,720**	**170,322**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	4,600
Community development	6,274	-	129,305	-
Parks and recreation	-	-	10,538	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**6,274**	**-**	**139,843**	**4,600**
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,575	720,493	153,877	165,722
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(26,488)	(153,693)	(150,000)
Total Other Financing Sources (Uses)	**-**	**(26,488)**	**(153,693)**	**(150,000)**
Net Change in Fund Balances	2,575	694,005	184	15,722
Fund Balances, Beginning of Year	26,248	873,636	(162)	337,558
Fund Balances, End of Year	**$ 28,823**	**$ 1,567,641**	**$ 22**	**$ 353,280**

CITY OF DIAMOND BAR
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	CLEEP Fund	**Landscape Maintenance District Fund**	**Measure R Local Return Fund**	**PEG Fees Fund**
Revenues:				
Taxes	$ -	$ 1,182,584	$ -	$ 79,799
Licenses and permits	-	-	-	-
Intergovernmental	-	-	927,158	-
Charges for services	-	-	-	-
Use of money and property	98	-	24,285	7,429
Miscellaneous	-	-	-	-
Total Revenues	**98**	**1,182,584**	**951,443**	**87,228**
Expenditures:				
Current:				
General government	-	-	-	2,114
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	964,612	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**-**	**964,612**	**-**	**2,114**
Excess (Deficiency) of Revenues Over (Under) Expenditures	98	217,972	951,443	85,114
Other Financing Sources (Uses):				
Transfers in	-	106,242	-	-
Transfers out	-	(62,764)	(1,375,043)	-
Total Other Financing Sources (Uses)	**-**	**43,478**	**(1,375,043)**	**-**
Net Change in Fund Balances	98	261,450	(423,600)	85,114
Fund Balances, Beginning of Year	8,253	191,132	1,703,593	621,779
Fund Balances, End of Year	**$ 8,351**	**$ 452,582**	**$ 1,279,993**	**$ 706,893**

CITY OF DIAMOND BAR
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2023 **(Continued)**

	Special Revenue Funds			
	Waste Hauler Fund	**CASP Fees (SB1186)**	**Measure A Neighborhood Park Acts Fund**	**Street Beautification**
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	132,048	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	3,939	478	-	3,940
Miscellaneous	-	-	-	-
Total Revenues	**135,987**	**478**	**-**	**3,940**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**-**	**-**	**-**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	135,987	478	-	3,940
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(134,412)	-	(184,000)	-
Total Other Financing Sources (Uses)	**(134,412)**	**-**	**(184,000)**	**-**
Net Change in Fund Balances	1,575	478	(184,000)	3,940
Fund Balances, Beginning of Year	333,853	25,853	-	332,999
Fund Balances, End of Year	**$ 335,428**	**$ 26,331**	**$ (184,000)**	**$ 336,939**

CITY OF DIAMOND BAR
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			Debt Service Fund
	Local Roadway Safety Plan Fund	**Measure W Local Return Fund**	**Hazard Mitigation Grant Fund**	**Public Financing Authority**
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	837,850	3,707	-
Charges for services	-	-	-	-
Use of money and property	-	17,436	63	1,870
Miscellaneous	-	-	-	-
Total Revenues	**-**	**855,286**	**3,770**	**1,870**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	200,085	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	465,000
Interest and fiscal charges	-	-	-	254,200
Total Expenditures	**-**	**200,085**	**-**	**719,200**
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	655,201	3,770	(717,330)
Other Financing Sources (Uses):				
Transfers in	-	-	-	718,816
Transfers out	-	(230,455)	-	-
Total Other Financing Sources (Uses)	**-**	**(230,455)**	**-**	**718,816**
Net Change in Fund Balances	-	424,746	3,770	1,486
Fund Balances, Beginning of Year	(92)	1,148,092	1,417	75
Fund Balances, End of Year	**$ (92)**	**$ 1,572,838**	**$ 5,187**	**$ 1,561**

CITY OF DIAMOND BAR
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2023

	Total Governmental Funds
Revenues:	
Taxes	$ 1,262,383
Licenses and permits	132,048
Intergovernmental	9,500,430
Charges for services	703,715
Use of money and property	235,182
Miscellaneous	16,181
Total Revenues	**11,849,939**
Expenditures:	
Current:	
General government	2,114
Public safety	4,600
Community development	652,393
Parks and recreation	25,282
Public works	2,255,704
Capital outlay	115,262
Debt service:	
Principal retirement	465,000
Interest and fiscal charges	254,200
Total Expenditures	**3,774,555**
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,075,384
Other Financing Sources (Uses):	
Transfers in	825,058
Transfers out	(6,574,875)
Total Other Financing Sources (Uses)	**(5,749,817)**
Net Change in Fund Balances	2,325,567
Fund Balances, Beginning of Year	18,650,345
Fund Balances, End of Year	**$ 20,975,912**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
State Gas Tax Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 496,046	$ 496,046	$ 496,046	$ -
Resources (Inflows):				
Intergovernmental	1,640,406	1,640,406	1,379,323	(261,083)
Use of money and property	1,800	1,800	13,531	11,731
Total Resources	1,642,206	1,642,206	1,392,854	(249,352)
Amounts Available for Appropriations	**2,138,252**	**2,138,252**	**1,888,900**	**(249,352)**
Charges to Appropriations (Outflow):				
Transfers out	1,563,000	1,702,000	1,112,262	589,738
Total Charges to Appropriations	**1,563,000**	**1,702,000**	**1,112,262**	**589,738**
Budgetary Fund Balance, June 30	**$ 575,252**	**$ 436,252**	**$ 776,638**	**$ 340,386**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Proposition A Transit Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 2,037,869	$ 2,037,869	$ 2,037,869	$ -
Resources (Inflows):				
Intergovernmental	1,383,713	1,383,713	1,490,789	107,076
Charges for services	200,000	200,000	67,550	(132,450)
Use of money and property	2,700	2,700	29,543	26,843
Total Resources	1,586,413	1,586,413	1,587,882	1,469
Amounts Available for Appropriations	**3,624,282**	**3,624,282**	**3,625,751**	**1,469**
Charges to Appropriations (Outflow):				
Parks and recreation	12,000	25,000	14,744	10,256
Public works	1,017,024	1,004,024	576,373	427,651
Transfers out	270,000	1,200,000	1,099,657	100,343
Total Charges to Appropriations	**1,299,024**	**2,229,024**	**1,690,774**	**538,250**
Budgetary Fund Balance, June 30	**$ 2,325,258**	**$ 1,395,258**	**$ 1,934,977**	**$ 539,719**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Proposition C Transit Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	**Final**	**Amounts**	**(Negative)**
Budgetary Fund Balance, July 1	$ 2,713,176	$ 2,713,176	$ 2,713,176	$ -
Resources (Inflows):				
Intergovernmental	1,147,753	1,147,753	1,236,567	88,814
Use of money and property	9,500	9,500	35,603	26,103
Total Resources	1,157,253	1,157,253	1,272,170	114,917
Amounts Available for Appropriations	**3,870,429**	**3,870,429**	**3,985,346**	**114,917**
Charges to Appropriations (Outflow):				
Public works	550,742	550,742	470,587	80,155
Transfers out	361,000	1,200,002	221,606	978,396
Total Charges to Appropriations	**911,742**	**1,750,744**	**692,193**	**1,058,551**
Budgetary Fund Balance, June 30	**$ 2,958,687**	**$ 2,119,685**	**$ 3,293,153**	**$ 1,173,468**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Integrated Waste Management Fund
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	$ 1,806,470	$ 1,806,470	$ 1,806,470	$ -
Resources (Inflows):				
Intergovernmental	-	-	27,180	27,180
Charges for services	572,267	572,267	636,165	63,898
Use of money and property	14,700	14,700	-	(14,700)
Miscellaneous	89,936	89,936	16,181	(73,755)
Total Resources	676,903	676,903	679,526	2,623
Amounts Available for Appropriations	**2,483,373**	**2,483,373**	**2,485,996**	**2,623**
Charges to Appropriations (Outflow):				
Community development	697,852	796,292	512,386	283,906
Transfers out	10,000	10,000	-	10,000
Total Charges to Appropriations	**707,852**	**806,292**	**512,386**	**293,906**
Budgetary Fund Balance, June 30	**$ 1,775,521**	**$ 1,677,081**	**$ 1,973,610**	**$ 296,529**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Sewer Mitigation Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	**Final**	**Amounts**	**(Negative)**
Budgetary Fund Balance, July 1	$ 56,566	$ 56,566	$ 56,566	$ -
Resources (Inflows):				
Use of money and property	400	400	668	268
Amounts Available for Appropriations	**56,966**	**56,966**	**57,234**	**268**
Budgetary Fund Balance, June 30	**$ 56,966**	**$ 56,966**	**$ 57,234**	**$ 268**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Air Quality Improvement Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 230,468	$ 230,468	$ 230,468	$ -
Resources (Inflows):				
Intergovernmental	75,000	75,000	93,387	18,387
Use of money and property	1,000	1,000	2,697	1,697
Total Resources	76,000	76,000	96,084	20,084
Amounts Available for Appropriations	**306,468**	**306,468**	**326,552**	**20,084**
Charges to Appropriations (Outflow):				
Capital outlay	132,000	132,000	115,262	16,738
Transfers out	67,000	67,000	-	67,000
Total Charges to Appropriations	**199,000**	**199,000**	**115,262**	**83,738**
Budgetary Fund Balance, June 30	**$ 107,468**	**$ 107,468**	**$ 211,290**	**$ 103,822**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Road Maintenance & Rehab
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	**Final**	**Amounts**	**(Negative)**
Budgetary Fund Balance, July 1	$ 3,219,339	$ 3,219,339	$ 3,219,339	$ -
Resources (Inflows):				
Intergovernmental	1,292,845	1,292,845	1,226,816	(66,029)
Use of money and property	12,900	12,900	42,274	29,374
Total Resources	1,305,745	1,305,745	1,269,090	(36,655)
Amounts Available for Appropriations	**4,525,084**	**4,525,084**	**4,488,429**	**(36,655)**
Charges to Appropriations (Outflow):				
Transfers out	400,000	1,677,457	407,353	1,270,104
Total Charges to Appropriations	**400,000**	**1,677,457**	**407,353**	**1,270,104**
Budgetary Fund Balance, June 30	**$ 4,125,084**	**$ 2,847,627**	**$ 4,081,076**	**$ 1,233,449**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Trails & Bikeways Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	**Final**	**Amounts**	**(Negative)**
Budgetary Fund Balance, July 1	$ 2,929	$ 2,929	$ 2,929	$ -
Resources (Inflows):				
Intergovernmental	53,399	53,399	38,689	(14,710)
Total Resources	53,399	53,399	38,689	(14,710)
Amounts Available for Appropriations	**56,328**	**56,328**	**41,618**	**(14,710)**
Charges to Appropriations (Outflow):				
Transfers out	-	16,890	16,617	273
Total Charges to Appropriations	**-**	**16,890**	**16,617**	**273**
Budgetary Fund Balance, June 30	**$ 56,328**	**$ 39,438**	**$ 25,001**	**$ (14,437)**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Beverage Center Recycling Grant Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 96,928	$ 96,928	$ 96,928	$ -
Resources (Inflows):				
Intergovernmental	14,337	14,337	13,817	(520)
Use of money and property	600	600	1,165	565
Total Resources	14,937	14,937	14,982	45
Amounts Available for Appropriations	**111,865**	**111,865**	**111,910**	**45**
Charges to Appropriations (Outflow):				
Community development	14,300	14,300	4,428	9,872
Total Charges to Appropriations	**14,300**	**14,300**	**4,428**	**9,872**
Budgetary Fund Balance, June 30	**$ 97,565**	**$ 97,565**	**$ 107,482**	**$ 9,917**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Used Oil Block Grant Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 26,248	$ 26,248	$ 26,248	$ -
Resources (Inflows):				
Intergovernmental	6,974	6,974	8,557	1,583
Use of money and property	200	200	292	92
Total Resources	7,174	7,174	8,849	1,675
Amounts Available for Appropriations	**33,422**	**33,422**	**35,097**	**1,675**
Charges to Appropriations (Outflow):				
Community development	10,400	10,400	6,274	4,126
Total Charges to Appropriations	**10,400**	**10,400**	**6,274**	**4,126**
Budgetary Fund Balance, June 30	**$ 23,022**	**$ 23,022**	**$ 28,823**	**$ 5,801**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Park and Facility Development Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 873,636	$ 873,636	$ 873,636	$ -
Resources (Inflows):				
Intergovernmental	-	-	708,785	708,785
Use of money and property	7,800	7,800	11,708	3,908
Total Resources	7,800	7,800	720,493	712,693
Amounts Available for Appropriations	**881,436**	**881,436**	**1,594,129**	**712,693**
Charges to Appropriations (Outflow):				
Transfers out	717,000	738,111	26,488	711,623
Total Charges to Appropriations	**717,000**	**738,111**	**26,488**	**711,623**
Budgetary Fund Balance, June 30	**$ 164,436**	**$ 143,325**	**$ 1,567,641**	**$ 1,424,316**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Community Development Block Grant (CDBG Fund)
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ (162)	$ (162)	$ (162)	$ -
Resources (Inflows):				
Intergovernmental	295,819	373,046	293,720	(79,326)
Total Resources	295,819	373,046	293,720	(79,326)
Amounts Available for Appropriations	**295,657**	**372,884**	**293,558**	**(79,326)**
Charges to Appropriations (Outflow):				
Community development	233,387	255,353	129,305	126,048
Parks and recreation	17,890	17,890	10,538	7,352
Transfers out	184,000	372,310	153,693	218,617
Total Charges to Appropriations	**435,277**	**645,553**	**293,536**	**352,017**
Budgetary Fund Balance, June 30	**$ (139,620)**	**$ (272,669)**	**$ 22**	**$ 272,691**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Citizens Option for Public Safety (COPS) Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 337,558	$ 337,558	$ 337,558	$ -
Resources (Inflows):				
Intergovernmental	150,000	150,000	165,271	15,271
Use of money and property	3,200	3,200	5,051	1,851
Total Resources	153,200	153,200	170,322	17,122
Amounts Available for Appropriations	**490,758**	**490,758**	**507,880**	**17,122**
Charges to Appropriations (Outflow):				
Public safety	10,000	10,000	4,600	5,400
Transfers out	152,500	152,500	150,000	2,500
Total Charges to Appropriations	**162,500**	**162,500**	**154,600**	**7,900**
Budgetary Fund Balance, June 30	**$ 328,258**	**$ 328,258**	**$ 353,280**	**$ 25,022**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
California Law Enforcement Equipment Program (CLEEP) Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 8,253	$ 8,253	$ 8,253	$ -
Resources (Inflows):				
Use of money and property	100	100	98	(2)
Total Resources	100	100	98	(2)
Amounts Available for Appropriations	**8,353**	**8,353**	**8,351**	**(2)**
Charges to Appropriations (Outflow):				
Transfers out	325	325	-	325
Total Charges to Appropriations	**325**	**325**	**-**	**325**
Budgetary Fund Balance, June 30	**$ 8,028**	**$ 8,028**	**$ 8,351**	**$ 323**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Landscape Maintenance District Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	**Final**	**Amounts**	**(Negative)**
Budgetary Fund Balance, July 1	$ 191,132	$ 191,132	$ 191,132	$ -
Resources (Inflows):				
Taxes	1,182,904	1,182,904	1,182,584	(320)
Transfers in	212,118	212,118	106,242	(105,876)
Total Resources	1,395,022	1,395,022	1,288,826	(106,196)
Amounts Available for Appropriations	**1,586,154**	**1,586,154**	**1,479,958**	**(106,196)**
Charges to Appropriations (Outflow):				
Public works	1,335,140	1,303,941	964,612	339,329
Transfers out	-	63,100	62,764	336
Total Charges to Appropriations	**1,335,140**	**1,367,041**	**1,027,376**	**339,665**
Budgetary Fund Balance, June 30	**$ 251,014**	**$ 219,113**	**$ 452,582**	**$ 233,469**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Measure R Local Return Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,703,593	$ 1,703,593	$ 1,703,593	$ -
Resources (Inflows):				
Intergovernmental	860,815	860,815	927,158	66,343
Use of money and property	4,500	4,500	24,285	19,785
Total Resources	865,315	865,315	951,443	86,128
Amounts Available for Appropriations	**2,568,908**	**2,568,908**	**2,655,036**	**86,128**
Charges to Appropriations (Outflow):				
Transfers out	1,450,000	2,350,000	1,375,043	974,957
Total Charges to Appropriations	**1,450,000**	**2,350,000**	**1,375,043**	**974,957**
Budgetary Fund Balance, June 30	**$ 1,118,908**	**$ 218,908**	**$ 1,279,993**	**$ 1,061,085**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
PEG Fees Fund
Year Ended June 30, 2023

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	$ 621,779	$ 621,779	$ 621,779	$ -
Resources (Inflows):				
Taxes	100,000	100,000	79,799	(20,201)
Use of money and property	3,800	3,800	7,429	3,629
Total Resources	103,800	103,800	87,228	(16,572)
Amounts Available for Appropriations	**725,579**	**725,579**	**709,007**	**(16,572)**
Charges to Appropriations (Outflow):				
General government	100,000	100,000	2,114	97,886
Transfers out	300,000	300,000	-	300,000
Total Charges to Appropriations	**400,000**	**400,000**	**2,114**	**397,886**
Budgetary Fund Balance, June 30	**$ 325,579**	**$ 325,579**	**$ 706,893**	**$ 381,314**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Hazard Mitigation Grant Fund
Year Ended June 30, 2023

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	$ 1,417	$ 1,417	$ 1,417	$ -
Resources (Inflows):				
Intergovernmental	22,500	22,500	3,707	(18,793)
Use of money and property	-	-	63	63
Total Resources	22,500	22,500	3,770	(18,730)
Amounts Available for Appropriations	**23,917**	**23,917**	**5,187**	**(18,730)**
Budgetary Fund Balance, June 30	**$ 23,917**	**$ 23,917**	**$ 5,187**	**$ (18,730)**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Waste Hauler Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	**Final**	**Amounts**	**(Negative)**
Budgetary Fund Balance, July 1	$ 333,853	$ 333,853	$ 333,853	$ -
Resources (Inflows):				
Licenses and permits	152,437	152,437	132,048	(20,389)
Use of money and property	1,300	1,300	3,939	2,639
Total Resources	153,737	153,737	135,987	(17,750)
Amounts Available for Appropriations	**487,590**	**487,590**	**469,840**	**(17,750)**
Charges to Appropriations (Outflow):				
Transfers out	146,000	282,000	134,412	147,588
Total Charges to Appropriations	**146,000**	**282,000**	**134,412**	**147,588**
Budgetary Fund Balance, June 30	**$ 341,590**	**$ 205,590**	**$ 335,428**	**$ 129,838**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
CASP Fees (SB1186)
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 25,853	$ 25,853	$ 25,853	$ -
Resources (Inflows):				
Licenses and permits	8,000	8,000	-	(8,000)
Use of money and property	200	200	478	278
Total Resources	8,200	8,200	478	(7,722)
Amounts Available for Appropriations	**34,053**	**34,053**	**26,331**	**(7,722)**
Budgetary Fund Balance, June 30	**$ 34,053**	**$ 34,053**	**$ 26,331**	**$ (7,722)**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Measure A Neighborhood Parks Acts Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Intergovernmental	185,000	185,000	-	(185,000)
Total Resources	185,000	185,000	-	(185,000)
Amounts Available for Appropriations	**185,000**	**185,000**	**-**	**(185,000)**
Charges to Appropriations (Outflow):				
Transfers out	-	185,000	184,000	1,000
Total Charges to Appropriations	**-**	**185,000**	**184,000**	**1,000**
Budgetary Fund Balance, June 30	**$ 185,000**	**$ -**	**$ (184,000)**	**$ (184,000)**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Street Beautification Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 332,999	$ 332,999	$ 332,999	$ -
Resources (Inflows):				
Use of money and property	2,400	2,400	3,940	1,540
Amounts Available for Appropriations	**335,399**	**335,399**	**336,939**	**1,540**
Budgetary Fund Balance, June 30	**$ 335,399**	**$ 335,399**	**$ 336,939**	**$ 1,540**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Measure W Local Return Fund
Year Ended June 30, 2023

	Budget Amounts			Variance with Final Budget
	Original	**Final**	**Actual Amounts**	**Positive (Negative)**
Budgetary Fund Balance, July 1	$ 1,148,092	$ 1,148,092	$ 1,148,092	$ -
Resources (Inflows):				
Intergovernmental	850,000	850,000	837,850	(12,150)
Use of money and property	-	-	17,436	17,436
Total Resources	850,000	850,000	855,286	5,286
Amounts Available for Appropriations	**1,998,092**	**1,998,092**	**2,003,378**	**5,286**
Charges to Appropriation (Outflow):				
Public works	435,878	435,878	200,085	235,793
Transfers out	775,000	964,210	230,455	733,755
Total Charges to Appropriations	**1,210,878**	**1,400,088**	**430,540**	**969,548**
Budgetary Fund Balance, June 30	**$ 787,214**	**$ 598,004**	**$ 1,572,838**	**$ 974,834**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Measure M Local Return Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	**Final**	**Amounts**	**(Negative)**
Budgetary Fund Balance, July 1	$ 2,441,847	$ 2,441,847	$ 2,441,847	$ -
Resources (Inflows):				
Intergovernmental	975,590	975,590	1,048,814	73,224
Use of money and property	7,400	7,400	33,112	25,712
Total Resources	982,990	982,990	1,081,926	98,936
Amounts Available for Appropriations	**3,424,837**	**3,424,837**	**3,523,773**	**98,936**
Charges to Appropriations (Outflow):				
Public works	55,000	55,000	44,047	10,953
Transfers out	1,860,000	3,249,461	1,400,525	1,848,936
Total Charges to Appropriations	**1,915,000**	**3,304,461**	**1,444,572**	**1,859,889**
Budgetary Fund Balance, June 30	**$ 1,509,837**	**$ 120,376**	**$ 2,079,201**	**$ 1,958,825**

CITY OF DIAMOND BAR
Budgetary Comparison Schedule
Capital Improvement Fund
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ (130,575)	$ (130,575)	$ (130,575)	$ -
Resources (Inflows):				
Intergovernmental	213,000	634,342	28,312	(606,030)
Miscellaneous	-	-	1,559	1,559
Transfers in	9,147,000	15,626,635	6,410,629	(9,216,006)
Fiscal Year Ending June 30, 2022 subtotal	9,360,000	16,260,977	6,440,500	(9,820,477)
Amounts Available for Appropriations	**9,229,425**	**16,130,402**	**6,309,925**	**(9,820,477)**
Charges to Appropriations (Outflow):				
Capital outlay	9,360,000	16,092,950	6,795,028	9,297,922
Total Charges to Appropriations	**9,360,000**	**16,092,950**	**6,795,028**	**9,297,922**
Budgetary Fund Balance, June 30	**$ (130,575)**	**$ 37,452**	**$ (485,103)**	**$ (522,555)**

CITY OF DIAMOND BAR
Budetary Comparison Schedule
Public Financing Authority
Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	**Final**	**Amounts**	**(Negative)**
Budgetary Fund Balance, July 1	$ 75	$ 75	$ 75	$ -
Resources (Inflows):				
Use of money and property	300	300	1,870	1,570
Transfers in	719,400	719,400	718,816	(584)
Fiscal Year Ending June 30, 2022 subtotal	719,700	719,700	720,686	986
Amounts Available for Appropriations	**719,775**	**719,775**	**720,761**	**986**
Charges to Appropriations (Outflow):				
Debt service:				
Principal retirement	465,000	465,000	465,000	-
Interest and fiscal charges	254,700	254,700	254,200	500
Total Charges to Appropriations	**719,700**	**719,700**	**719,200**	**500**
Budgetary Fund Balance, June 30	**$ 75**	**$ 75**	**$ 1,561**	**$ 1,486**

CITY OF DIAMOND BAR
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Governmental Activities - Internal Service Funds				
	Self Insurance Fund	Equipment Replacement Fund	Computer Equipment Replacement Fund	Building Facility & Maintenance Fund	Totals
Assets:					
Current:					
Cash and investments	$ 954,264	$ 319,607	$ 2,076,849	$ 1,117,008	$ 4,467,728
Due from other governments	49,787	-	19,301	-	69,088
Total Current Assets	**1,004,051**	**319,607**	**2,096,150**	**1,117,008**	**4,536,816**
Noncurrent:					
Capital assets - net of accumulated depreciation	-	49,336	811,965	48,700	910,001
Total Noncurrent Assets	**-**	**49,336**	**811,965**	**48,700**	**910,001**
Total Assets	**$ 1,004,051**	**$ 368,943**	**$ 2,908,115**	**$ 1,165,708**	**$ 5,446,817**
Liabilities and Net Position:					
Liabilities:					
Current:					
Accounts payable	$ -	$ 2,743	$ 63,722	$ 54,557	$ 121,022
Due to other governments	49,074	-	-	-	49,074
Total Current Liabilities	**49,074**	**2,743**	**63,722**	**54,557**	**170,096**
Total Liabilities	**49,074**	**2,743**	**63,722**	**54,557**	**170,096**
Net Position:					
Invested in capital assets	-	49,336	811,965	48,700	910,001
Unrestricted	954,977	316,864	2,032,428	1,062,451	4,366,720
Total Net Position	**954,977**	**366,200**	**2,844,393**	**1,111,151**	**5,276,721**
Total Liabilities and Net Position	**$ 1,004,051**	**$ 368,943**	**$ 2,908,115**	**$ 1,165,708**	**$ 5,446,817**

CITY OF DIAMOND BAR
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds				
	Self Insurance Fund	**Equipment Replacement Fund**	**Computer Equipment Replacement Fund**	**Building Facility & Maintenance Fund**	**Totals**
Operating Expenses:					
Insurance premiums	510,516	$ -	$ -	$ -	$ 510,516
Equipment repair and maintenance	-	77,797	301,581	139,030	518,408
Depreciation and amortization expense	-	36,275	187,558	4,592	228,425
Total Operating Expenses	**510,516**	**114,072**	**489,139**	**143,622**	**1,257,349**
Operating Income (Loss)	(510,516)	(114,072)	(489,139)	(143,622)	(1,257,349)
Nonoperating Revenues (Expenses):					
Interest revenue	6,467	3,038	13,307	13,999	36,811
Contributions	-	-	19,301	-	19,301
Total Nonoperating Revenues (Expenses)	**6,467**	**3,038**	**32,608**	**13,999**	**56,112**
Income (Loss) Before Transfers	(504,049)	(111,034)	(456,531)	(129,623)	(1,201,237)
Transfers in	460,360	160,650	1,276,023	100,000	1,997,033
Transfers out	-	-	-	(65,000)	(65,000)
Changes in Net Position	(43,689)	49,616	819,492	(94,623)	730,796
Net Position:					
Beginning of Fiscal Year	998,666	316,584	2,024,901	1,205,774	4,545,925
End of Fiscal Year	**$ 954,977**	**$ 366,200**	**$ 2,844,393**	**$ 1,111,151**	**$ 5,276,721**

CITY OF DIAMOND BAR
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds				
	Self Insurance Fund	Equipment Replacement Fund	Computer Equipment Replacement Fund	Building Facility & Maintenance Fund	Totals
Cash Flows from Operating Activities:					
Insurance premiums paid	$ (510,516)	$ -	$ -	$ -	$ (510,516)
Payments to suppliers		(79,138)	(240,174)	(86,468)	(405,780)
Net Cash Provided (Used) by Operating Activities	**(510,516)**	**(79,138)**	**(240,174)**	**(86,468)**	**(916,296)**
Cash Flows from Non-Capital Financing Activities:					
Cash transfers out	-	-	-	(65,000)	(65,000)
Cash transfers in	460,360	160,650	1,276,023	100,000	1,997,033
Net Cash Provided (Used) by Non-Capital Financing Activities	**460,360**	**160,650**	**1,276,023**	**35,000**	**1,932,033**
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	-	-	(43,308)	(12,126)	(55,434)
Net Cash Provided (Used) by Capital and Related Financing Activities	**-**	**-**	**(43,308)**	**(12,126)**	**(55,434)**
Cash Flows from Investing Activities:					
Interest received	6,467	3,038	13,307	13,999	36,811
Net Cash Provided (Used) by Investing Activities	**6,467**	**3,038**	**13,307**	**13,999**	**36,811**
Net Increase (Decrease) in Cash and Cash Equivalents	**(43,689)**	**84,550**	**1,005,848**	**(49,595)**	**997,114**
Cash and Cash Equivalents at Beginning of Year	997,953	235,057	1,071,001	1,166,603	3,470,614
Cash and Cash Equivalents at End of Year	**$ 954,264**	**$ 319,607**	**$ 2,076,849**	**$ 1,117,008**	**$ 4,467,728**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	$ (510,516)	$ (114,072)	$ (489,139)	$ (143,622)	$ (1,257,349)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:					
Depreciation	-	36,275	187,558	4,592	228,425
Increase (decrease) in accounts payable	-	(1,341)	61,407	52,562	112,628
Total Adjustments	**-**	**34,934**	**248,965**	**57,154**	**341,053**
Net Cash Provided (Used) by Operating Activities	**$ (510,516)**	**$ (79,138)**	**$ (240,174)**	**$ (86,468)**	**$ (916,296)**

DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2023

This part of the City of Diamond Bar's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents:

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City of Diamond Bar
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	2019	2020	2021	2022	2023
Governmental activities:					
Net investment in capital assets	$ 350,017,830	$ 345,260,286	$ 339,727,186	$ 332,972,933	$ 331,607,485
Restricted for:					
Capital projects	655,124	944,561	1,724,690	2,863,447	2,743,073
Community development	2,137,080	2,086,977	3,100,228	3,453,843	4,435,781
Public safety	286,848	346,066	346,594	347,228	366,818
Public works	10,721,764	11,874,243	13,772,296	19,187,254	21,761,109
Debt service	361	19	22,776	75	1,561
Other Post Employment Benefits(OPEB)	-	-	-	353,283	0
Unrestricted	21,083,148	21,513,688	23,604,159	28,511,364	33,831,520
Total governmental activities net position	$ 384,902,155	$ 382,025,840	$ 382,297,929	$ 387,689,427	$ 394,747,347

Fiscal Year	2014	2015	2016	2017	2018
Governmental activities:					
Net investment in capital assets	$ 372,068,596	$ 368,779,901	$ 363,216,277	$ 358,765,476	$ 354,824,312
Restricted for:					
Capital projects	135,914	207,205	267,984	184,074	356,711
Community development	1,174,082	1,482,522	2,382,667	2,066,650	1,907,215
Public safety	140,747	171,928	193,941	243,642	235,752
Public works	4,015,113	3,862,123	4,465,023	3,095,734	3,268,495
Debt service	4	3	29	80	199
Other Post Employment Benefits(OPEB)	-	-	-	-	-
Unrestricted	20,894,700	20,659,058	22,742,992	23,047,078	21,270,741
Total governmental activities net position	$ 398,429,156	$ 395,162,740	$ 393,268,913	$ 387,402,734	$ 381,863,425

Source:
City Finance Department

City of Diamond Bar
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018
Expenses:					
Governmental Activities:					
General government	$ 7,301,502	$ 6,524,968	$ 5,812,525	$ 6,627,894	$ 6,926,331
Public safety	5,627,026	5,929,156	6,216,279	6,586,188	6,904,971
Public works	10,599,386	10,225,922	11,966,721	14,178,723	14,612,857
Community development	2,346,073	2,587,504	2,127,206	3,231,764	3,083,101
Parks and recreation	6,463,192	6,300,920	6,137,787	5,164,413	5,532,810
Interest on long-term debt	477,201	466,662	455,700	443,480	423,400
Contribution to OPEB Trust	-	-	84,761	84,761	84,591
Total Primary Government	32,814,380	32,035,132	32,800,979	36,317,223	37,568,061
Program Revenues:					
Governmental Activities:					
Charges for services					
General Government	770,908	587,081	661,910	811,846	619,147
Public safety	559,008	523,145	470,722	460,325	459,615
Public works	2,671,741	5,536,984	4,389,876	2,675,313	3,782,259
Community development	1,413,094	2,463,932	1,820,325	2,077,810	2,023,466
Parks, recreation and culture	1,804,189	1,758,319	1,684,814	1,544,002	1,648,945
Operating grants and contributions	4,203,990	4,443,765	3,687,015	3,844,192	4,120,526
Capital grants and contributions	207,971	717,961	1,455,770	359,669	159,258
Total Governmental Activities Program Revenues	11,630,901	16,031,187	14,170,432	11,773,157	12,813,216
General Revenues:					
Taxes					
Property taxes	4,307,077	4,448,566	4,665,140	4,951,033	5,187,630
Transient occupancy taxes	851,249	935,355	994,476	923,527	1,019,915
Sales taxes	3,658,327	3,974,564	4,598,858	4,789,172	4,999,873
Franchise taxes	1,393,584	1,460,342	1,431,513	1,320,617	1,419,605
Other taxes	471,455	442,914	523,015	394,961	509,322
Unrestricted Motor vehicle in lieu	4,862,100	5,133,910	5,411,143	5,757,423	6,011,177
Use of money and property	256,758	244,275	524,918	58,160	67,046
Other revenues	52,891	114,545	703,457	482,994	161,145
Loss on disposal of capital asset	1,328,681	-	-	-	-
Total General Revenues	17,182,122	16,754,471	18,852,520	18,677,887	19,375,713
Change in Net Position	(4,001,357)	750,526	221,973	(5,866,179)	(5,379,132)
Net Position at Beginning of Year	402,430,513	398,429,156	395,162,740	393,268,913	387,402,734
Restatement of Net Position	-	(4,016,942)	(2,115,800)	-	(160,177)
Net Position at End of Year	$ 398,429,156	$ 395,162,740	$ 393,268,913	$ 387,402,734	$ 381,863,425

Source:
City Finance Department

2019	2020	2021	2022	2023
$ 8,990,203	$ 6,693,192	$ 7,810,434	$ 7,210,304	$ 8,377,284
7,142,733	7,371,290	7,401,924	7,993,744	8,149,425
13,644,523	14,435,606	11,626,695	11,641,746	12,621,030
3,069,374	3,138,506	3,128,813	2,579,271	3,663,339
6,149,343	5,188,798	3,802,025	3,903,018	4,481,255
402,671	385,006	392,652	192,897	145,302
87,128	88,000	-	-	-
39,485,975	37,300,398	34,162,543	33,520,980	37,437,635
1,248,171	431,216	642,791	94,571	114,485
415,701	432,774	263,147	436,610	383,058
9,797,871	2,312,413	2,881,793	3,265,094	3,452,701
2,110,515	1,914,403	2,260,454	2,270,878	2,450,481
1,347,448	848,675	319,896	1,079,941	1,583,261
5,651,932	4,938,893	5,919,399	9,745,284	9,630,820
12,595	1,098,879	302,616	-	853,518
20,584,233	11,977,253	12,590,096	16,892,378	18,468,324
5,405,335	5,590,899	5,873,328	12,814,147	13,650,877
1,222,925	1,128,386	797,785	1,359,842	1,462,904
4,970,980	4,846,330	5,106,920	6,127,593	6,598,953
1,355,003	1,340,960	1,390,250	1,308,250	1,687,104
1,062,003	1,070,672	1,105,651	1,400,481	1,540,855
6,285,504	6,545,989	6,804,019	65,523	56,347
1,397,727	1,378,227	121,612	(895,646)	863,861
240,995	139,321	258,910	136,203	166,330
-	-	-	-	-
21,940,472	22,040,784	21,458,475	22,316,393	26,027,231
3,038,730	(3,282,361)	(113,972)	5,687,791	7,057,920
381,863,425	384,902,155	382,025,840	382,297,929	387,689,427
-	406,046	386,061	(296,293)	-
$ 384,902,155	$ 382,025,840	$ 382,297,929	$ 387,689,427	$ 394,747,347

City of Diamond Bar
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

General fund:	2014	2015	2016	2017	2018
Nonspendable:					
Prepaid costs	$ 62,752	$ 75,887	$ 75,866	$ 42,108	$ 8,230
Committed to:					
Emergency contingencies	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Assigned to:					
Community organization support	-	-	-	-	-
Other Post Employment Benefits (OPEB)	-	-	-	-	-
Technology Reserve	-	-	-	-	-
Capital improvement projects	-	-	-	-	-
Tres Hermanos Conservancy	-	-	-	-	-
General Plan Update	-	-	-	-	-
Law Enforcement Reserve	-	-	-	-	-
Unassigned					
Unassigned Reserve	15,199,698	17,656,659	19,350,943	20,379,854	19,440,147
Total general fund	19,762,450	22,232,546	23,926,809	24,921,962	23,948,377
All other governmental funds:					
Restricted for:					
Community development projects	1,174,082	1,482,522	2,382,667	2,066,650	1,907,215
Public safety	140,747	171,928	193,941	243,642	235,752
Highways and streets	4,015,113	3,862,123	3,541,041	3,095,514	3,268,495
Capital projects	135,914	207,205	267,984	184,074	356,711
Debt service	4	3	29	80	199
Assigned to:					
Technology Reserve	-	-	-	-	-
Unassigned	(88,639)	(71,561)	18,047	(290,141)	(49,618)
Total all other governmental funds	5,377,221	5,652,220	6,403,709	5,299,819	5,718,754
Total fund balances	$ 25,139,671	$ 27,884,766	$ 30,330,518	$ 30,221,781	$ 29,667,131

Note:
The City implemented GASB 54, titled "Fund Balance Reporting and Governmental Fund Type Definitions" as of the fiscal year ended June 30, 2011.

Source: City Finance Department

2019	2020	2021	2022	2023
$ 26,203	$ 4,496	$ 2,275	$ -	$ -
4,500,000	6,000,627	6,797,181	7,864,770	7,981,243
-	-	-		2,062
-	-	-	353,283	291,182
-	-	-	442,418	591,346
-	-	-		1,308,920
-	-	-	20,726	6,910
-	-	-		518,504
-	-	-	929,558	941,362
18,583,174	18,687,761	20,950,249	20,615,949	22,959,067
23,109,377	24,692,884	27,749,705	30,226,704	34,600,596
2,137,080	2,086,977	3,100,228	3,453,843	4,435,803
286,848	346,066	346,594	347,228	366,818
10,721,764	11,874,243	13,772,296	19,187,254	21,761,109
655,124	944,561	1,724,690	2,863,447	2,743,073
361	19	22,776	75	1,561
-	-	-	-	-
(557,242)	(351,346)	(144,722)	(187,428)	(725,794)
13,243,935	14,900,520	18,821,862	25,664,419	28,582,570
$ 36,353,312	$ 39,593,404	$ 46,571,567	$ 55,891,123	$ 63,183,166

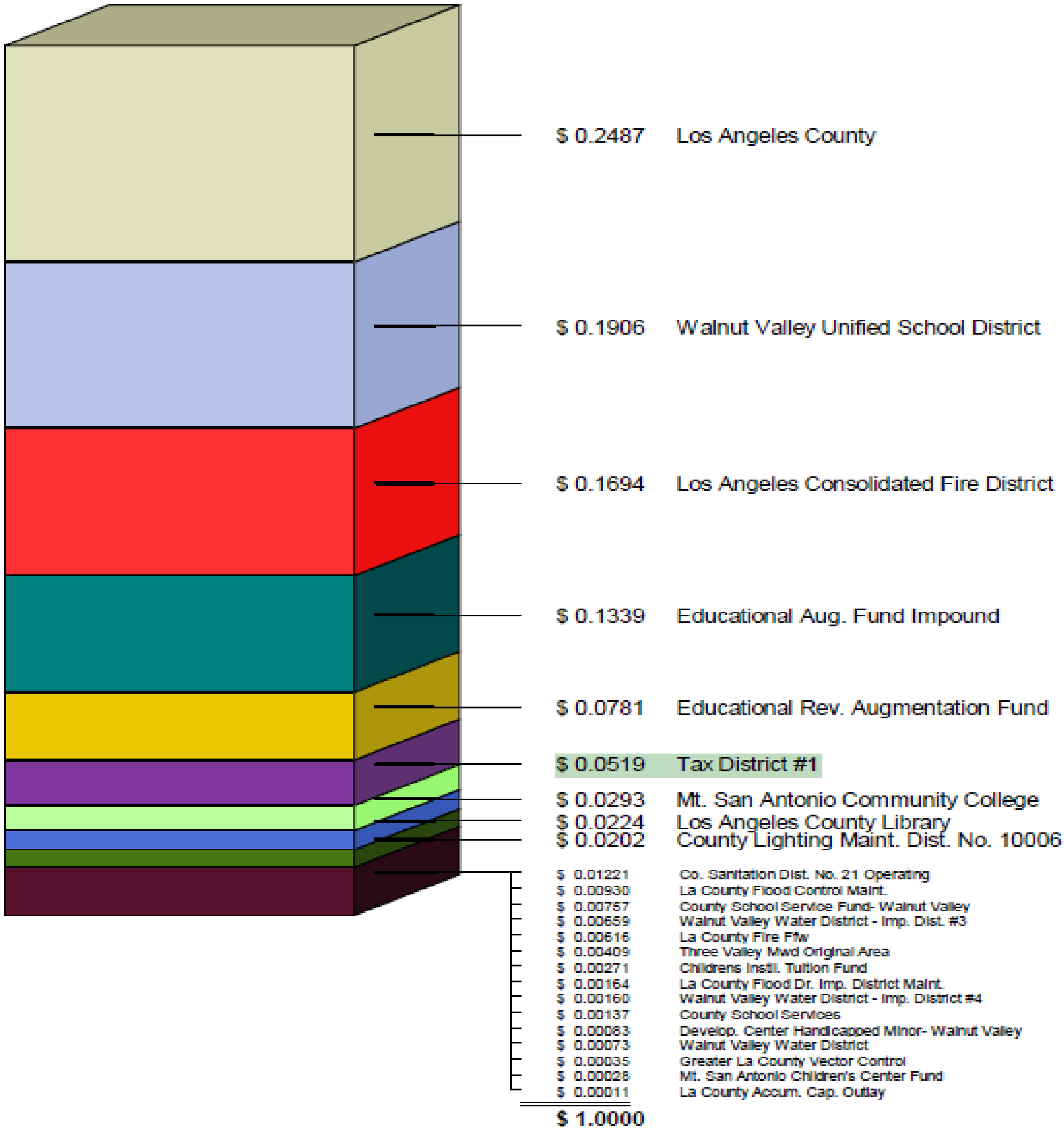
City of Diamond Bar
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018
Revenues:					
Taxes	$ 10,638,609	$ 10,730,234	$ 12,930,081	$ 12,698,595	$ 13,031,475
Special assessments	549,402	672,492	781,232	769,014	788,971
Intergovernmental	10,281,985	11,185,489	10,384,417	11,668,517	11,753,427
Charges for services	3,321,883	3,344,356	3,101,103	2,899,321	2,972,508
Fines and forfeitures	582,844	523,145	470,722	460,325	459,615
Licenses and permits	1,542,765	5,474,765	4,121,387	2,355,980	3,128,048
Use of money and property	281,752	273,656	563,300	28,478	39,014
Other	85,558	136,786	716,914	561,288	189,350
Total revenues	27,284,798	32,340,923	33,069,156	31,441,518	32,362,408
Expenditures:					
Current:					
General government	5,115,321	5,040,491	5,177,288	5,560,482	5,956,082
Public safety	5,602,021	5,914,404	6,201,985	6,576,954	6,898,325
Public works	5,698,765	5,216,083	5,531,705	8,964,282	9,298,972
Parks, recreation and culture	4,406,954	4,225,938	4,232,431	2,723,558	2,893,702
Community development	2,225,647	2,540,430	2,313,053	2,985,973	2,874,443
Capital outlay	2,518,617	4,646,891	5,598,997	3,041,443	3,230,907
Debt service:					
Principal retirement	350,000	365,000	385,000	400,000	420,000
Interest and fiscal charges	492,159	481,656	470,741	459,191	439,191
Total expenditures	26,409,484	28,430,893	29,911,200	30,711,883	32,011,622
Excess (deficiency) of revenues over (under) expenditures	875,314	3,910,030	3,157,956	729,635	350,786
Other financing sources (uses):					
Bond issued or refinancing	-	-	-	-	-
Bonds discount or premium	-	-	-	-	-
Payment to refunded bond escrow	-	-	-	-	-
Transfers in	4,856,728	7,084,629	7,287,721	6,395,368	6,758,082
Transfers out	(5,822,286)	(8,249,564)	(7,999,925)	(6,831,304)	(7,663,738)
Proceeds from sale of capital asset	2,282,406	-	-	-	-
Total other financing sources (uses)	1,316,848	(1,164,935)	(712,204)	(435,936)	(905,656)
Net changes in fund balances	$ 2,192,162	$ 2,745,095	$ 2,445,752	$ 293,699	$ (554,870)
Debt service as a percentage of noncapital expenditures	3.35%	3.48%	3.24%	3.08%	2.95%

Source: City Finance Department

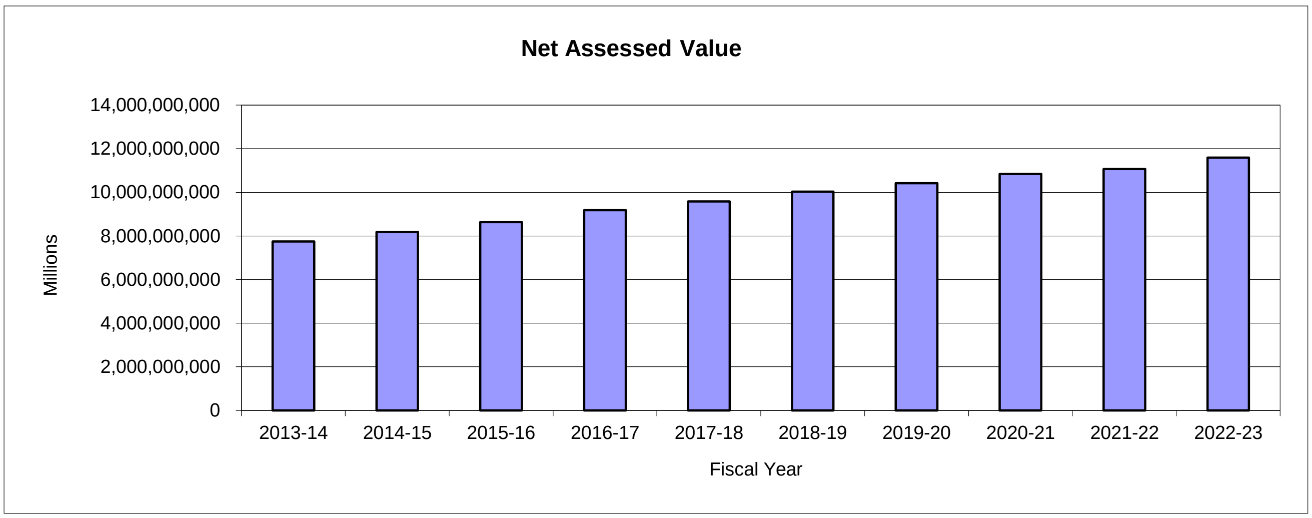
2019	2020	2021	2022	2023
$ 13,233,033	$ 13,200,479	$ 13,498,926	$ 15,160,087	$ 16,445,551
783,213	776,768	775,008	943,000	1,262,383
14,013,870	14,110,518	16,273,538	18,736,104	21,094,276
2,540,344	1,864,015	914,766	1,740,824	2,297,541
415,701	432,774	263,147	436,610	383,058
9,337,213	2,246,294	2,259,287	2,177,224	2,407,329
1,361,323	1,326,838	96,495	(867,840)	827,050
278,317	201,503	262,929	176,874	202,085
41,963,014	34,159,189	34,344,096	38,502,883	44,919,273
8,078,152	5,607,821	6,383,456	6,744,954	7,022,442
7,136,362	7,371,290	7,401,924	7,993,744	8,149,425
8,653,425	8,860,331	6,430,811	6,716,430	7,403,724
3,075,935	2,699,950	1,178,756	1,745,665	1,967,229
2,900,120	2,871,762	2,919,045	2,728,649	3,522,887
2,709,445	2,604,402	1,398,225	447,896	6,910,290
440,000	460,000	485,000	455,000	465,000
418,191	400,591	543,673	280,413	254,200
33,411,630	30,876,147	26,740,890	27,112,751	35,695,197
8,551,384	3,283,042	7,603,206	11,390,132	9,224,076
-	-	8,024,092	-	-
-	-		-	-
-	-	(7,839,852)	-	-
5,962,151	7,173,287	3,777,515	3,350,683	8,497,451
(7,827,354)	(7,622,283)	(4,586,798)	(5,124,966)	(10,429,484)
-	-	-	-	-
(1,865,203)	(448,996)	(625,043)	(1,774,283)	(1,932,033)
$ 6,686,181	$ 2,834,046	$ 6,978,163	$ 9,615,849	$ 7,292,043
2.81%	3.03%	4.09%	2.76%	2.49%

THE CITY OF DIAMOND BAR
PROPERTY TAX DOLLAR BREAKDOWN



City of Diamond Bar
Assessed and Estimated Actual Values of Taxable Property
2013/14 - 2022/23 Taxable Property Values
(unaudited)

Fiscal Year Ended June 30,	Real Property Secured Property	Real Property Unsecured Property	Other Property	Less Tax Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	% Change
2013-14	7,765,883,788	69,544,511	-	83,574,453	7,751,853,846	0.0526	3.78%
2014-15	8,201,610,010	70,524,426	-	83,189,280	8,188,945,156	0.0526	5.64%
2015-16	8,649,508,385	72,343,401	-	85,103,082	8,636,748,704	0.0526	5.47%
2016-17	9,175,049,277	74,892,798	-	62,484,967	9,187,457,108	0.0525	6.38%
2017-18	9,589,040,619	76,356,565	-	78,363,662	9,587,033,522	0.0525	4.35%
2018-19	10,037,428,342	83,787,675	-	90,713,106	10,030,502,911	0.0525	4.63%
2019-20	10,435,977,033	76,572,055	-	93,257,612	10,419,291,476	0.0525	3.88%
2020-21	10,834,109,675	94,903,135	-	90,417,003	10,838,595,807	0.0524	4.02%
2021-22	11,071,176,004	93,096,143	1,199,912	93,033,033	11,071,239,114	0.0524	2.15%
2022-23	11,582,901,902	97,490,346	-	87,372,428	11,593,019,820	0.0524	4.71%



Note: Exempt values are not included in Total Net Taxable Values.
The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: HDL Coren & Cone and Los Angeles County Assessor's Combined Tax Rolls.

City of Diamond Bar
Direct and Overlapping Property Tax Rates
(Rate per $100 of Assessed Value)

Agency	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Basic Levy*	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Metropolitan Water District	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004
Mt. San Antonio College	0.020	0.021	0.022	0.024	0.024	0.024	0.048	0.045	0.046	0.043
Pomona Unified School Dist	0.164	0.166	0.154	0.144	0.173	0.169	0.207	0.151	0.141	0.146
Walnut Valley Unified School Dist	0.113	0.115	0.093	0.066	0.074	0.106	0.095	0.099	0.101	0.101
Total Direct & Overlapping Tax Rates	**1.301**	**1.306**	**1.272**	**1.237**	**1.274**	**1.303**	**1.354**	**1.298**	**1.291**	**1.293**
City's Share of 1% Levy Per Prop 13*	0.0519	0.0519	0.0519	0.0519	0.0519	0.0519	0.0519	0.0519	0.0519	0.0519
General Obligation Debt Rate										
Redevelopment Rate*										
Total Direct Rate*	**0.0526**	**0.0526**	**0.0526**	**0.0525**	**0.0525**	**0.0525**	**0.0524**	**0.0524**	**0.0524**	**0.0524**

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds for the Pomona Unified School District or Walnut Valley Unified School Districts in Diamond Bar depending on which school district the property is located in.

Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

RDA rate is based on the largest RDA tax rate area(TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.

Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

City of Diamond Bar
Top 10 Property Taxpayers
Current Year and Nine Years Ago

2022-23	Sec & Unsecured Assessed Valuation	Percentage of Total Net Assessed Valuation
Apex 2015 LLC	$ 74,813,605	0.65%
Roic Diamond Hills Plaza LLC	56,831,284	0.49%
BSP Senita Gateway Center LLC	49,082,830	0.42%
Emerald Pointe Apartments LLC	43,041,418	0.37%
Hua Qing Enterprise LLC	38,488,145	0.33%
Bridgegate Drive Properties LLC	33,184,654	0.29%
Diamond Springs LLC	32,058,551	0.28%
ROIC DBTC LLC Lessor	31,795,000	0.27%
Target Corporation	31,029,619	0.27%
Muller Rock 2 Gateway	30,328,629	0.26%
Top Ten Total	$ 420,653,735	3.63%
City Total	$ 11,593,019,820	

2013-14	Assessed Valuation	Percentage of Total Net Assessed Valuation
DB Gateway Corporate Inc	$ 40,000,000	0.52%
SRGMF South Grand Diamond Bar	39,653,361	0.51%
ROIC California LLC	31,856,200	0.41%
Pacifica Trenton Holdings-2 LLC	30,100,000	0.39%
Target Corporation	26,650,578	0.34%
Muller Rock 2 Gateway	26,136,302	0.34%
Hua Qing Enterprise LLC	22,392,214	0.29%
Margaret M. Tam Trust	18,021,782	0.23%
Emerald Pointe Apartments LLC	17,526,129	0.23%
ROIC DBTC LLC	17,059,484	0.22%
Top Ten Total	$ 269,396,050	3.48%
City Total	$ 7,751,853,846	

Source: Hdl Coren & Cone.

City of Diamond Bar
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent	
		Amount	% to Levy	Years	% to Levy
2014	4,075,791	3,960,684	97.18%	115,107	2.82%
2015	4,326,040	4,189,390	96.84%	136,650	3.16%
2016	4,568,789	4,412,561	96.58%	156,228	3.42%
2017	4,842,897	4,643,891	95.89%	199,007	4.11%
2018	5,081,117	4,838,019	95.22%	243,098	4.78%
2019	5,313,057	5,131,554	96.58%	181,503	3.42%
2020	5,540,291	5,267,524	95.08%	272,767	4.92%
2021	5,681,444	5,847,155	102.92%	-	0.00%
2022	5,871,398	5,881,098	100.17%	224,683	3.83%
2023	6,121,244	6,194,513	101.20%	-	0.00%

Source: Los Angeles County Auditor/Controller.
City Finance Department

City of Diamond Bar
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Governmental Activities: Lease Revenue Bonds (a)	Governmental Activities: Unamortized Bond Premium (Discount)	Governmental Activities: Total Governmental Activities	Total Primary Government	% of Personal Income (b)	Debt Per Capita (b)
2014	10,785,000	215,601	11,000,601	11,000,601	0.55%	195
2015	10,420,000	201,475	10,621,475	10,621,475	0.55%	188
2016	10,035,000	187,349	10,222,349	10,222,349	0.53%	179
2017	9,635,000	173,223	9,808,223	9,808,223	0.50%	172
2018	9,215,000	159,097	9,374,097	9,374,097	0.48%	163
2019	8,775,000	144,971	8,919,971	8,919,971	0.43%	155
2020	8,315,000	130,845	8,445,845	8,445,845	0.40%	148
2021	6,735,000	1,289,092 *	8,024,092	8,024,092	0.38%	140
2022	6,280,000	1,181,668	7,461,668	7,461,668	0.33%	138
2023	5,815,000	1,074,244	6,889,244	6,889,244	0.29%	129

Note:
(a) Details regarding the City's outstanding lease revenue bonds can be found in the notes to the financial statements. See Financial Statement Note 5: Long-Term Liabilities for an explantion regarding the above amounts.

(b) Details regarding the City's population and personal income can be found in the Demographic and Economic Statistics Table.

* The increase in Unamortized Bond Premium is due to the refinancing of the City's lease revenue bonds.

Source: City Finance Department

City of Diamond Bar
Direct and Overlapping Debt
June 30, 2023
(unaudited)

	Total Debt	% Applicable To City (1)	City's Share of Debt
Direct Debt			
Diamond Bar Lease Revenue Bonds, 2021 Series A	$ 5,815,000	100.000	$ 5,815,000
Overlapping Debts (2)			
Metropolitan Water District	19,215,000	0.319	61,296
Mt San Antonio Community College District	882,482,780	10.459	92,298,874
Pomona Unified School District	459,351,706	18.214	83,666,320
Walnut Valley Unified School District	226,976,115	59.091	134,122,456
Total Overlapping Tax and Assessment Debts	$ 1,588,025,601		$ 310,148,946
Direct and Overlapping General Fund Debt			
Los Angeles County General Fund Obligations	2,601,551,282	0.612	15,921,494
Los Angeles County Superintendent of Schools Certificates of Participation	3,403,487	0.612	20,829
Los Angeles County Sanitation District No.21 Authority	468,639	17.433	81,698
Mt.San Antonio Community College District Certificates of Participation	254,500,000	10.459	26,618,155
Pomona Unified School District General Fund Obligations	6,115,000	18.214	1,113,786
City's General Fund Obligations (Lease Revenue Bonds, 2021 Series A)	5,815,000	100.000	5,815,000
Total Direct and Overlapping General Fund Debt	$ 2,871,853,408		$ 49,570,962
Total Overlapping Debt			$ 353,904,908
Grand Total Direct and Overlapping Debt:	$ 4,459,879,009		$ 359,719,908

Debt to Assessed Valuation Ratios:

2022/23 Net Assessed Valuation:	$ 11,593,019,820	Direct Debt	0.05%	$109
2022 City Population: 53,381		Overlapping Debt	2.68%	$5,810
		Total Debt	3.10%	$5,919

Note:
(1) Percentage of direct and overlapping agency's assessed valuation located within boundaries of the city.
(2) The overlapping debt is the portion of a larger agency, and is responsible for debt in areas outside the city.

Source:
Hdl Coren & Cone
U.S. Census Bureau
City Finance Department

City of Diamond Bar
Computation of Legal Debt Margin
Last Ten Fiscal Years
(unaudited)

Fiscal Year	2023	2022	2021	2020	2019
Net assessed value	$ 11,680,392,248	$ 11,165,472,059	$ 10,929,012,810	$ 10,419,291,476	$ 10,030,502,911
Add back: Exemptions	87,372,428	94,232,945	90,417,003	93,257,612	90,713,106
Gross assessed value	11,767,764,676	11,259,705,004	11,019,429,813	10,512,549,088	10,121,216,017
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	2,941,941,169	2,814,926,251	2,754,857,453	2,628,137,272	2,530,304,004
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	441,291,175	422,238,938	413,228,618	394,220,591	379,545,601
City Debts:					
Revenue bonds	5,815,000	6,280,000	8,315,000	8,315,000	8,775,000
Unamortized Bond Premium	1,074,244	1,181,668	130,845	130,845	144,971
Legal debt margin	$ 434,401,931	$ 414,777,270	$ 404,782,773	$ 385,774,746	$ 370,625,630

Fiscal Year	2018	2017	2016	2015	2014
Net assessed value	$ 9,587,033,522	$ 9,187,457,108	$ 8,636,748,704	$ 8,188,945,156	$ 7,751,853,846
Add back: Exemptions	78,363,662	62,484,967	85,146,082	83,189,280	83,574,453
Gross assessed value	9,665,397,184	9,249,942,075	8,721,894,786	8,272,134,436	7,835,428,299
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	2,416,349,296	2,312,485,519	2,180,473,697	2,068,033,609	1,958,857,075
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	362,452,394	346,872,828	327,071,054	310,205,041	293,828,561
City Debts:					
Revenue bonds	9,215,000	9,635,000	10,035,000	10,420,000	10,785,000
Unamortized Bond Premium	159,097	173,223	187,349	201,475	215,601
Legal debt margin	$ 353,078,297	$ 337,064,605	$ 316,848,705	$ 299,583,566	$ 282,827,960

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local government located within the state.

Source: Section 43605 of the California Government Code
Hdl Coren & Cone
City Finance Department

City of Diamond Bar
Demographic and Economic Statistics
(unaudited)

General Information

Date of Incorporation	April 18, 1989
Form of Government	Council-Manager
Area	14.88 Square Miles
Miles of Streets	132.3

Public Safety

Police Protection	Los Angeles County Sheriff Department
Fire Protection	Los Angeles County Fire Department

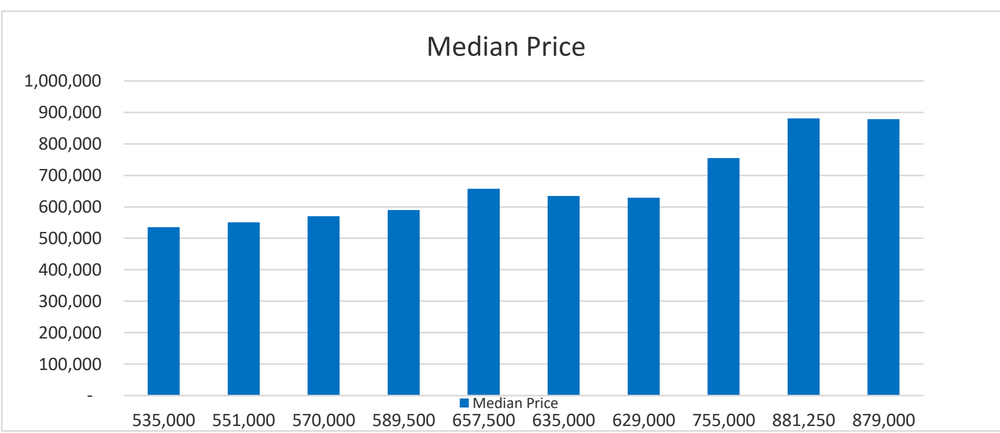
Education

School District	Pomona Unified School District
Schools	1 High School, 1 Middle School, & 4 Elementary Schools
School District	Walnut Valley Unified School District
Schools	1 High School, 2 Middle Schools, & 4 Elementary Schools

Population Distribution by Race (2020 US Census)	Total	Percent
Asian	32,540.48	58.40%
White	9,472.40	17.00%
Hispanic or Latino	10,363.92	18.60%
African American	2,005.92	3.60%
Others	1,337.28	2.40%

Single Family Residential Full Value Sales (01/01/2014-06/30/2023) *

Year	Full Value Sales	Average Price	Median Price	Median % Change
2014	701	660,281	535,000	7.00%
2015	726	626,515	551,000	2.99%
2016	837	628,252	570,000	4.22%
2017	745	645,253	589,500	3.42%
2018	647	704,743	657,500	11.93%
2019	663	701,439	635,000	-3.42%
2020	250 (Jan-Jun 2020)	656,486	629,000	-0.94%
2021	391	788,473	755,000	11.85%
2022	490	1,000,753	881,250	10.16%
2023	247	991,944	879,000	2.21%



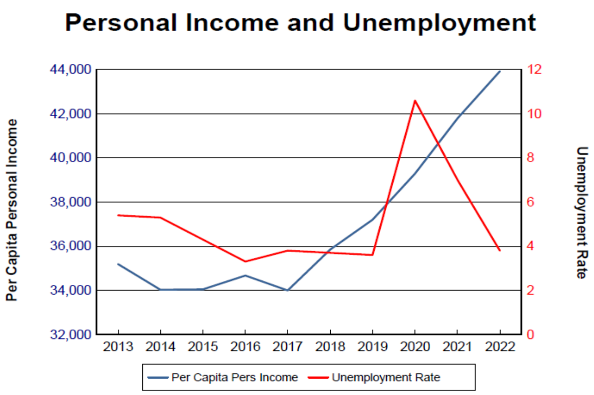
* "Single Family Residential" includes both stand-alone homes and townhouses and condos with a common wall.

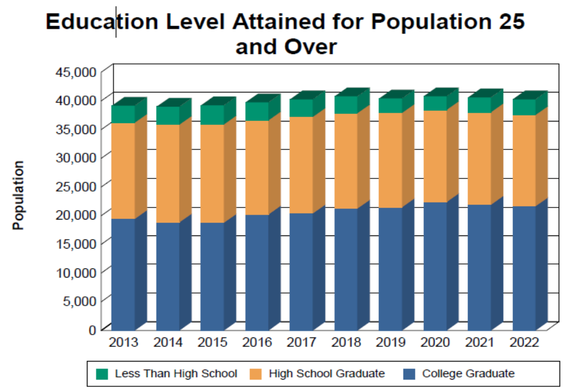
Notes and

Los Angeles County Recorder
HdL Coren & Cone
US Bureau of the Census. The official population census of the United States is conducted every ten years.
Median Household Income were obtained from U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates.

City of Diamond Bar
Demographic and Econimic Statistics
(unaudited)

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal	Median Househol Income	Unemploym Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2013	56,400	1,984,772	35,191	84,180	5.4%	41.3	92.4%	49.7%
2014	56,426	1,919,782	34,023	84,705	5.3%	40.9	92.0%	48.4%
2015	57,081	1,943,144	34,041	85,505	4.3%	41.1	91.5%	47.9%
2016	57,066	1,978,657	34,673	89,409	3.3%	42.0	92.1%	50.9%
2017	57,460	1,953,402	33,995	94,630	3.8%	42.2	92.4%	50.7%
2018	57,495	2,061,233	35,850	98,660	3.7%	42.6	92.8%	52.1%
2019	57,177	2,127,028	37,200	101,862	3.6%	41.8	93.8%	53.2%
2020	56,717	2,228,525	39,292	118,892	10.6%	42.6	94.2%	54.9%
2021	54,204	2,265,532	41,796	107,322	7.0%	42.9	93.6%	54.0%
2022	53,381	2,344,903	43,927	113,824	3.8%	43.7	93.2%	53.8%





Notes and Data Sources:

Population: California State Department of Finance. Unemployment Data: California Employment Development Department

2000-2009 Income, Age, and Education Data: ESRI - *Demographic Estimates are based on the last available Census.* Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries

2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey. Estimated Median Household Income - Nielsen Company.

City of Diamond Bar
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)

	2022	2021	2020	2019	2018
Apparel Stores	$ 8,346	$ 8,419	$ 5,713	$ 8,224	$ 7,855
Food Stores	21,238	20,748	22,248	19,157	18,551
Eating and Drinking Places	81,782	71,119	49,416	65,901	63,944
Building Materials	-	-	1,476	1,602	2,847
Auto Dealers and Supplies	7,938	7,527	5,500	7,424	6,621
Service Stations	137,921	100,929	60,554	101,622	104,147
Other Retail Stores	66,177	54,485	50,744	62,534	64,496
All Other Outlets	325,206	301,627	270,896	269,187	251,795
Total	$ 648,608	$ 564,854	$ 466,547	$ 535,651	$ 520,256

Notes and Data Sources:

State Board of Equalization, California Department of Taxes and Fees Administration, State Controllers Office, and The HdL Companies.

Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

2017	2016	2015	2014	2013
$ 2,008	$ 2,347	$ 2,104	$ 1,925	$ 1,602
17,394	15,591	12,478	11,004	10,474
64,421	59,696	56,895	54,397	52,948
2,929	2,434	2,115	1,619	1,919
6,638	7,488	7,649	7,607	7,150
96,579	91,952	104,369	112,494	120,373
62,549	62,465	61,002	68,019	69,109
256,509	252,700	208,389	98,327	95,571
$ 509,027	$ 494,672	$ 455,002	$ 355,393	$ 359,146

City of Diamond Bar
Full-time and Part-time City Government Employees
by Function/Program

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
	Fiscal Year Ended June 30,2023										
General government	27	26	22	29	27	27	27	25	25	24	24
Part-time*	1	1	1.01								
Community development	11	8	8	9	9	8	9	9	8	8	8
Part-time*	0	1	0.25	0	0	0	0	0			
Public works	14	13	15	18	14	17	17	10	9	8	8
Part-time*	1	3	1.15								
Community services	0	0	0	0	0	0	0	14	15	14	14
Part-time*	0	0	0	0	0	0	0	56	58	60	60
Parks & recreation	11	11	11	10	11	9	9	0	0	0	0
Part-time & Seasonal*	53	50	24.68	52	51	65	50	0	0	0	0
Total	118	113	83.09	118	112	126	112	114	115	114	114

Note:

The City is a contract city and as such contracts for many of its services. This includes police services, fire services, building and safety services, engineering, road maintenance and landscape maintenance.
A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

Beginning In FY2017, part of the former Community Services Department, road maintenance and landscape maintenance, has been centralized in Public Works.

* Part-time/Seasonal staff reported as Full-time Equivalent beginning FY 2020-21

Source: City Finance Department

City of Diamond Bar
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,2023				
	2023	2022	2021	2020	2019
Police:(in fiscal year) (1)					
Physical arrests	462	457	483	564	653
Street Sweeping Parking Citation	3,668	5,726	2,846	4,450	5,256
Fire: (in fiscal year) (2)					
Number of incident calls	3,576	3,566	3,237	3,014	3,207
Inspections	1,433	226	988	941	1,151
Public works: (in fiscal year) (3)					
Street resurfacing (miles)	19.6	19.7	1.1	16.5	12.3
Parks and recreation:(in fiscal year)(4)					
Number of recreation classes(5)	838	668	450	1,547	2,461
Number of facility rentals	6,217	3,900	1,219	2,766	4,610

Function	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
Police: (1)					
Physical arrests	493	636	702	522	494
Street Sweeping Parking Citation	5,367	5,289	5,682	5,887	5,774
Fire: (2)					
Number of emergency calls	3,362	3,331	3,180	2,820	2,760
Inspections	1,403	1,336	1,667	1,413	1,434
Public works: (3)					
Street resurfacing (miles)	17.2	14.4	19.3	17.0	12.5
Parks and recreation:(4)					
Number of recreation classes	2,461	2,338	2,546	2,591	2,623
Number of facility rentals	4,610	4,316	4,804	4,491	4,178

Sources:

(1) Police Walnut/Diamond Bar Station
(2) LA County Fire Dep East Regional Operation Bureau
(3) City Public Works Department
(4) City Community Services Department
(5) Includes online classes

Note: Indicators are not available for the general government function.

City of Diamond Bar
Capital Asset Statistics by Function
Last Ten Fiscal Years

Fiscal Year Ended June 30, 2023

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public safety (1)										
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Patrol units (all shifts combined)	17	18	18	18	18	18	18	18	18	18
Fire stations (2)	3	3	3	3	3	3	3	3	3	3
Highways and streets (3)										
Streets (miles)	132.3	132.3	132.3	132.3	132.3	132.3	130.9	130.9	129.4	129.4
Streetlights	314	314	314	314	314	307	307	294	294	294
Traffic signals	76	76	76	76	76	76	76	74	74	74
Culture and recreation (4)										
Parks Acreage	79.4	79.4	79.4	79.4	79.4	79.4	72.6	67.9	67.9	67.9
Hiking Trails	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.0	4.0	3.2
Parks	17	17	17	17	17	17	16	15	15	15
Public Tennis courts	7	7	8	8	8	8	8	8	8	8
Community centers	3	3	3	3	3	3	3	3	3	3
Golf Course (5)										
County golf course	1	1	1	1	1	1	1	1	1	1
Sewer (3)										
Sanitary sewers (miles)	161.53	161.53	161.38	161.38	161.38	161.38	161.38	161.21	161.21	161.21

Sources:

(1) Police Walnut/Diamond Bar Station
(2) LA County Fire Department, Division VIII Office
(3) City Public Works Department
(4) City Community Services Department
(5)LA County Golf Course

Note:

The City is a contract city and as such contracts for many of its services. This includes police services, fire services, building and safety services, engineering, road maintenance and landscape maintenance.

No capital asset indicators are available for the general government function.

CITY OF DIAMOND BAR CALIFORNIA

City of Diamond Bar Finance Department
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(909) 839-7050 | www.diamondbarca.gov

City Council Policy and Procedure
Number: 2019-01 **Reviewed:** Annually/As-Needed
Effective Date: 8/20/2019 **Revised Date(s):**

Fund Balance and Reserves Policy

1. Purpose

1.1 The purpose of this policy is to establish prudent reserve policies to ensure the long-term fiscal health and stability of the City. The practice and discipline to maintain adequate reserve funds is necessary to ensure that adequate funding is available for planned and unplanned replacements of capital assets and equipment, infrastructure repairs and replacements, long-term obligations, as well as, economic uncertainties, local emergencies and natural disasters.

2. Definitions

2.1 A fund's equity – commonly referred to as "fund balance" – is generally the difference between its assets and its liabilities. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions, fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

2.1.1 Non-spendable Fund Balance – The portion of a fund balance that includes amounts that cannot be spent because they are either (a) not in a spendable form, such as prepaid items, inventories of supplies, or loans receivable; or (b) legally or contractually required to be maintained intact, such as the principal portion of an endowment.

2.1.2 Restricted Fund Balance – The portion of fund balance that can be used only for those purposes that are specified by their providers, such as granters, bondholders, or higher levels of government. It is important to note that these resources are constrained by external parties.

2.1.3 Committed Fund Balance – The portion of a fund balance that includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, and remains binding unless removed in the same manner.

2.1.4 Assigned Fund Balance – The portion of a fund balance that includes amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed. Such intent needs to be established at either the highest level of decision-making, or by an official designated for that purpose.

2.1.5 Unassigned Fund Balance – The portion of a fund balance that includes amounts that do not fall into one of the above aforementioned categories. The General Fund is the only fund that should report this category of fund balance.

3. Policy

3.1 The fund balance policies are relevant to the unrestricted fund balances, which include committed, assigned, and unassigned fund balances. Since there are practical and/or legal limitations on the use of non-spendable or restricted fund balances, they are not subject to the fund balance policies.

3.2 This policy shall be reviewed and approved annually, with any revisions, by the City Council during the review and adoption of the annual City Budget and Capital Improvement Program.

3.3 The City Council may assign fund balance to a specific purpose in relation to this fund balance policy. By resolution, the Council has also authorized the City Manager and/or the Finance Director to assign fund balance. Assignments of fund balance by the City Manager and/or the Finance Director do not require formal action by the City Council; however, each assignment must be approved by either of the authorized officials before the item can be presented in the financial statements.

3.4 When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category – spending those funds first – before moving down to the next category with available funds.

3.5 All uses of reserve funds shall be approved by the City Council.

3.6 The City Council may designate portions of the Unassigned General Fund balance for future capital projects, continuing or carry-over appropriations from prior fiscal years, or any other municipal purpose that the City Council deems prudent or necessary. Best practices dictate that fund balance reserves should not be used for ongoing operating expenditures; however, the City Council's retains discretion as to when to utilize the reserves in this manner.

3.7 Reserve levels shall be adjusted in accordance with this Policy annually at the end of each fiscal year in conjunction with the preparation of the City's annual budget.

3.8 All classifications of General Fund balance will appear in the annual Comprehensive Annual Financial Report (CAFR).

4. Reserve Fund Annual Contributions

4.1 **Contingency Reserve Fund** - To adequately provide for economic uncertainties, local emergencies or disasters, and other financial hardships or downturns in the local or national economy, including contingencies for unforeseen operating or capital needs and cash flow requirements, the City will maintain a Contingency Reserve Fund equal to no less than 25% of the General Fund expenditures, including operating transfers, in the adopted annual budget. The Contingency Reserve Fund reserve balance is classified as a committed fund balance.

4.2 **Other Post Employment Benefit (OPEB) Reserve Fund/Trust Fund** – The City will maintain the Other Post Employment Benefit (OPEB) Reserve Fund and/or OPEB Trust Fund to cover the projected costs of future retiree benefits. The combined amount of the Reserve Fund and the Trust Fund shall equal no less than 80% of the total OPEB Liability based on the most recent independent actuarial valuation. The Other Post Employment Benefit (OPEB) Reserve Fund reserve balance is classified as assigned fund balance. The Other Post Employment Benefit (OPEB) Trust Fund is classified as restricted fund balance.

4.3 **Building Facility and Maintenance Fund** – The City will maintain a Building Facility and Maintenance Fund to provide for the future replacement of improvements, systems and equipment at City Hall, Diamond Bar Center and other City buildings and facilities. The annual contribution to this fund shall be no less than $100,000. The Building Facility and Maintenance Fund reserve balance is classified as assigned fund balance.

4.4 **Vehicle Maintenance and Replacement Fund** - The City will maintain a Vehicle Maintenance and Replacement Fund to provide funding for the timely replacement of vehicles and related equipment with an individual replacement cost of $10,000 or more. The annual contribution to this fund will generally be based on the estimated operating expenses plus depreciation. Any interest earnings, sale proceeds of surplus equipment and related damage and insurance recoveries will be credited to this Fund. The Vehicle Maintenance and Replacement Fund reserve balance is classified as assigned fund balance.

4.5 **Technology Reserve Fund** - The City will maintain a Technology Reserve Fund to provide for the future replacement of essential technology systems, including network, security, communication, computer hardware and software platforms, e-government and other technology solutions that are utilized as part of City operations. The annual contribution to this fund shall be no less than $100,000. The Technology Reserve Fund reserve balance is classified as assigned fund balance.

5. Allocation of Available Fund Balance to Reserve Funds

5.1 It is a long-term goal of the City to build unrestricted reserve funds to provide flexibility, respond to emergencies, fund new projects and maintain necessary reserves for the eventual replacement of City capital facilities, equipment, and assets at the end of their design life. After the minimum funding levels and annual contributions to the Funds identified in Section 4 above are satisfied, any remaining fund balance available at the end of the fiscal year shall be apportioned to the following funds:

5.1.1 **Park and Facility Development Fund** – The Park and Facility Development Fund provides for the development and enhancements of the City's parks and facilities. The Park and Facility Development Fund reserve balance is classified as assigned fund balance. Allocation: 40%

5.1.2 **Building Facility and Maintenance Fund** – The Building Facility & Maintenance Fund provides for the future replacement of improvements, systems and equipment at City Hall, Diamond Bar Center and other City buildings and facilities. The Building Facility and Maintenance Fund reserve balance is classified as assigned fund balance. Allocation: 40%.

5.1.3 **Unrestricted General Fund Balance** – Allocation: 20%

6. Further Information

6.1 For further information or questions related to this policy, contact the Finance Director.

7. References

7.1 Resolution 2019-36

7.2 Resolution 2011-26

Agenda #: *7.2*
Meeting Date: *January 16, 2024*

CITY COUNCIL AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Daniel Fox, City Manager

TITLE: **RESULTS OF WASTE HAULER PROCUREMENT.**

STRATEGIC GOAL: *Safe, Sustainable & Healthy Community*

RECOMMENDATION:

Receive presentation, deliberate and provide direction to staff.

FINANCIAL IMPACT:

None.

BACKGROUND:

Since 2000, Valley Vista Services (VVS) and Waste Management (WM) have been the City's exclusive commercial and residential solid waste haulers under three separately negotiated franchise agreements. In August 2010, the City Council granted second franchise agreements to VVS and WM. These agreements were amended and restated in 2017 and extended in 2023. Both are now set to expire August 31, 2025.

At the City Council Study Session of April 5, 2022, staff presented information regarding the status of the solid waste franchise agreements for review and discussion. The City Council directed staff to commence an exclusive procurement process with the current waste haulers in which both could submit a proposed scope of work for the service areas by sector or for citywide service, with the City reserving the right to select any combination. On June 21, 2022, the City Council awarded a contract to Sloan Vazquez McAfee, a consulting firm with extensive experience in the procurement and management of municipal solid waste collection franchises to assist with the procurement process.

The City’s project team (staff, City Attorney Omar Sandoval and Enrique Vazquez of Sloan Vazquez McAfee) developed a Request for Proposals (RFP) (Attachment A) with a focus on a transparent and ethical procurement process, high performance/quality and reliable service, value for ratepayers, compliance with state regulatory requirements (including SB 1383 organics requirements), and effective outreach and engagement with customers over the proposed ten-year (plus a two-year extension option) agreement term. Specific service requirements across sectors include, but are not limited to:

- State diversion compliance
- Standard cart, bin, and roll-off service
- Organics collection
- Backyard service
- Temporary bins
- On-call bulky item and abandoned item collection
- Household Hazardous Waste (HHW), e-waste, sharps, used oil, and holiday tree collection
- Construction and demolition collection and disposal
- Complimentary City service
- Robust community education and outreach programming
- Deployment of clean fuel vehicles

The RFP was released to VVS and WM on May 3, 2023. Three addenda to the RFP were provided and a total of 54 questions related to the RFP terms were submitted by the respondents. Both VVS and WM submitted complete proposals for commercial only, residential only, and citywide services by the August 30, 2023 response deadline.

Because the format of the RFP allowed separate proposals for each sector, there are four outcomes that can be analyzed and considered:

- Option 1 – WM (Residential) and VVS (Commercial).
- Option 2 - VVS (Residential) and WM (Commercial).
- Option 3 – VVS citywide.
- Option 4 – WM citywide.

CONSULTANT EVALUATION

To evaluate these options, Sloan Vazquez McAfee reviewed and rated each proposal on criteria including responsiveness to RFP, qualifications and experience, technical qualifications, financial resources, rate proposals, and exceptions to Draft Agreement, all compiled in the City of Diamond Bar Request for Proposals – Solid Waste Services Final Report (Attachment 2). Weighted scores were assigned to each, with the sum establishing the overall rankings. As shown in Table 1 below, the consultant's evaluation rated Option 4 (Waste Management citywide) first, Option 2 (VVS residential and WM commercial) second, Option 3 (Valley Vista citywide) third, and Option 4 (Waste Management residential and Valley Vista commercial) fourth.

Table 1 – Evaluation Scores by Option

Criteria	Available Pts.	Option 1 (WM/VVS)	Option 2 (VVS/WM)	Option 3 (VVS)	Option 4 (WM)
Responsiveness to RFP	N/A	Pass	Pass	Pass	Pass

Qualifications/Experience	50	49	49	50	48
Technical Qualifications	300	299	300	300	299
Financial Resources	100	90	90	80	100
Rate Proposal	500	440	460	453	460
Exceptions to Agreement	50	48	48	50	45
Total	1,000	926	947	933	952
Ranking	N/A	4	2	3	1

Within these categories, the evaluation examined specific requirements, including, but not limited to these examples:

- Demonstrated collection experience and satisfaction of references.
- Customer service standards and quality of service.
- Qualification and number of key personnel assigned to the Diamond Bar contract.
- Ability to meet implementation schedule and deadlines.
- Ability to meet state mandates.
- Quality and nature of public outreach and education programs for diversion.
- Ability to provide required operations, disposal, transfer, and processing facilities.
- The number of exceptions/suggested changes to the City's draft agreement.
- The overall financial sustainability of the proposer.
- Competitiveness and reasonableness of rate proposals.

While there are subtle differences between the proposals, the results of the evaluation indicate that both respondents are qualified, with proposals found to be compliant with the scope of required services for all sectors contained in the released RFP. Based on the analysis, both respondents can be expected to deliver quality service while meeting state mandates, including SB 1383 organics recycling requirements.

TOTAL RATE REVENUE

The most apparent differences between options is related to rates and total revenue generated annually. The impact of each option is best captured by comparing Total Rate Revenue, a metric that captures the total expected revenue across sectors. Tables 2, 3, and 4 provide a detailed comparison of the Total Rate Revenue by option for total revenue collected, differences in proposed revenue when compared to expected current revenues, and percentage change when the proposals are compared to current revenues.

Table 2 - Total Rate Revenue by Option

Sector	Current 7/2024*	Option 1 (WM/VVS)	Option 2 (VVS/WM)	Option 3 (VVS)	Option 4 (WM)
Residential	$7,146,552*	$6,647,976	$6,377,976	$6,377,976	$5,508,648
Commercial	$2,508,763*	$3,628,889	$2,328,150	$3,628,889	$2,901,767
Total	$9,655,315*	$10,276,865	$8,706,126	$10,006,865	$8,410,415
*NOTE: * represents current rates adjusted for inflation as of July 1, 2024.*					

Table 3 – Total Change in Rate Revenue by Option

Sector	Option 1 (WM/VVS)	Option 2 (VVS/WM)	Option 3 (VVS)	Option 4 (WM)
Residential	($498,576)	($768,576)	($768,576)	($1,637,904)
Commercial	$1,120,127	($180,613)	$1,120,127	$393,004
Total Change	$621,551	($949,189)	$351,551	($1,244,900)

Table 4 – Total Percentage Change in Rate Revenue by Option				
Sector	Option 1 (WM/VVS)	Option 2 (VVS/WM)	Option 3 (VVS)	Option 4 (WM)
Residential	-7.0%	-10.8%	-10.8%	-22.9%
Commercial	44.6%	-7.2%	44.6%	15.7%
Total % Change	6.4%	-9.8%	3.6%	-12.9%

In summary, Options 2 and 4 reduce rate revenue collected while Options 1 and 3 result in a net increase in rate revenue collected. Option 2 offers reduced rate revenue in both the residential (-10.8%) and commercial sectors (-7.2%), while Option 4 offers a more significant reduction in residential rate revenues (-22.9%) but increases rate revenues in the commercial sector (15.7%). In aggregate, Option 2 reduces total rate revenues by 9.8%, while Option 4 reduces rate total rate revenues by 12.9%.

RESIDENTIAL RATE COMPARISON

There are currently 13,092 single-family residential units and 16 multi-family accounts with a total 2,489 individual housing units that receive residential cart service. These represent 97.8% of customer accounts served in Diamond Bar and 85.6% of total residential units across sectors. As shown in Table 5 below, all four options provide a reduction in residential rates when compared to current levels, with Option 2 and Option 4 providing the greatest reduction to customers. Option 2 reduces residential rates by anywhere from 6.7% to 20.9% while Option 4 reduces rates by anywhere from 9.5% to 29.6%.

Table 5 - Proposed Residential Rates by Option					
Cart Service	Current 7/2024*	Option 1 (WM/VVS)	Option 2 (VVS/WM)	Option 3 (VVS)	Option 4 (WM)
35 Gal.	$32.02	$29.54 (-7.8%)	$29.89 (-6.7%)	$29.89 (-6.7%)	$28.99 (-9.5%)
64 Gal.	$39.46	$36.39 (-7.8%)	$35.39 (-10.3%)	$35.39 (-10.3%)	$29.93 (-24.1%)
96 Gal.	$47.34	$43.66 (-7.8%)	$40.11 (-15.3%)	$40.11 (-15.3%)	$36.64 (-22.6%)
35 Gal. Sr.	$27.56	$26.58 (-3.6%)	$23.91 (-13.3%)	$23.91 (-13.3%)	$23.19 (-15.9%)
64 Gal. Sr.	$34.02	$32.76 (-3.7%)	$31.46 (-7.5%)	$31.46 (-7.5%)	$23.94 (-29.6%)
96 Gal. Sr.	$40.58	$39.30 (-3.2%)	$32.09 (-20.9%)	$32.09 (-20.9%)	$29.31 (-27.8%)

COMMERCIAL RATE COMPARISON

There are currently 269 commercial accounts and 31 multi-family accounts with a total of 2,620 individual housing units that receive bin service. These represent 2.2% of customer accounts served in Diamond Bar and 14.4% of total residential units served across sectors. Due to the variability in business service needs and generally customizable nature of commercial services, it is difficult to compare proposals based on individual rates. It should also be noted that often, commercial rates paid by a single account are often split amongst a number of tenants or residents so that a single business is not solely responsible for the cost of service established in the proposed rate schedules.

As shown in Tables 6 and 7 below, only Option 2 (WM Commercial Only) results in a commercial rate decrease, with the current structure (WM residential and VVS commercial) and both city-wide proposals resulting in an increase to annual commercial rate revenue.

Table 6 – Commercial Rates						
Current						
Size	1 pickup/wk	2 pickup/wk	3 pickup/wk	4 pickup/wk	5 pickup/wk	6 pickup/wk
2 Yard Bin	$137.94	$239.15	$326.93	$423.08	$524.33	$609.03
3 Yard Bin	$170.77	$283.12	$397.53	$516.11	$623.61	$772.08
4 Yard Bin	$216.21	$347.96	$482.72	$687.50	$822.27	$998.80
Options 1 & 3 – VVS Citywide and Commercial Only						
Size	1 pickup/wk	2 pickup/wk	3 pickup/wk	4 pickup/wk	5 pickup/wk	6 pickup/wk
2 Yard Bin	$176.57	$326.29	$489.44	$652.58	$767.40	$874.96
3 Yard Bin	$197.73	$368.62	$552.93	$737.23	$873.21	$1,001.94
4 Yard Bin	$218.89	$410.94	$616.41	$821.88	$979.03	$1,128.92
Option 2 – WM Commercial Only						
Size	1 pickup/wk	2 pickup/wk	3 pickup/wk	4 pickup/wk	5 pickup/wk	6 pickup/wk
2 Yard Bin	$116.75	$210.15	$303.55	$396.95	$490.35	$525.32
3 Yard Bin	$144.54	$260.18	$375.81	$491.45	$607.08	$722.72
4 Yard Bin	$183.00	$329.40	$475.80	$622.20	$768.61	$915.01
Option 4 – WM Citywide						
Size	1 pickup/wk	2 pickup/wk	3 pickup/wk	4 pickup/wk	5 pickup/wk	6 pickup/wk
2 Yard Bin	$142.65	$256.76	$385.14	$513.53	$641.91	$770.29
3 Yard Bin	$176.60	$317.89	$476.83	$635.78	$794.72	$953.67
4 Yard Bin	$223.59	$402.47	$603.70	$804.94	$1,006.17	$1,207.41

Table 7 – Percentage Change in Commercial Rates						
Options 1 & 3 – VVS Citywide and Commercial Only						
Size	1 pickup/wk	2 pickup/wk	3 pickup/wk	4 pickup/wk	5 pickup/wk	6 pickup/wk
2 Yard Bin	28.0%	36.4%	49.7%	54.2%	46.4%	43.7%
3 Yard Bin	15.8%	30.2%	39.1%	42.8%	38.0%	29.8%
4 Yard Bin	1.2%	18.1%	27.7%	19.5%	19.1%	13.0%
Option 2 – WM Commercial Only						
Size	1 pickup/wk	2 pickup/wk	3 pickup/wk	4 pickup/wk	5 pickup/wk	6 pickup/wk
2 Yard Bin	-15.4%	-12.1%	-7.2%	-6.2%	-6.5%	-13.7%
3 Yard Bin	-15.4%	-8.1%	-5.5%	-4.8%	-4.0%	-6.4%
4 Yard Bin	-15.4%	-5.3%	-1.4%	-9.5%	-6.5%	-8.4%

Option 4 – WM Citywide						
Size	1 pickup/wk	2 pickup/wk	3 pickup/wk	4 pickup/wk	5 pickup/wk	6 pickup/wk
2 Yard Bin	3.4%	7.4%	17.8%	21.4%	22.4%	26.5%
3 Yard Bin	3.4%	12.3%	19.9%	23.2%	25.6%	23.5%
4 Yard Bin	3.4%	15.7%	25.1%	17.1%	22.4%	20.9%

ANALYSIS:

As established in the evaluation outlined above, the procurement resulted in proposals from two qualified candidates. This determination is supported by successful partnerships with each over a period exceeding 20 years. Of the four options that resulted from the procurement process, Options 2 and 4 warrant the most consideration since they are the only two results that result in rate relief when compared to current annual hauler revenue.

Option 4 (WM citywide) is the most robust proposal due to the following factors:

- Offers the greatest overall reduction in ratepayer impact (-12.9%), with very significant cost reductions for residents (from 9.5% to 29.6%). However, commercial customers will experience increases, particularly for those with higher service needs (more than one pickup per week).
- Offers improved contract administration efficiency because there would be only one contract to manage.
- Offers improved customer service efficiency because there would be one source for customer service (everyone gets the same).
- The WM proposal allocated more dedicated personnel to the Diamond Bar contract.
- In staff's view, the WM proposal included more robust outreach and education components.

Option 2 (VVS residential and WM commercial) is a quality secondary proposal due to the following factors:

- VVS residential and WM commercial provides for overall rate revenue reductions (-9.8%) and rate decreases in both sectors. However, the residential reduction is less than in Option 4.
- Requires management of two hauler contracts.
- The transition between residential haulers may require additional customer service to facilitate.

NEXT STEPS

Staff is seeking direction from the Council as to which option it prefers. Once staff has received the Council's preference, it would work with the selected hauler(s) to finalize contract language. Once finalized, the final agreement will be scheduled at a future meeting for Council consideration. This agreement will include the agreed-upon start date for both sectors.

LEGAL REVIEW:

City Attorney has reviewed and approved this report.

PREPARED BY:

Ryan McLean

Ryan McLean, Assistant City Manager 1/16/2024

REVIEWED BY:

Ryan McLean

Ryan McLean, Assistant City Manager 1/3/2024

Kristina Santana

Kristina Santana, City Clerk 1/9/2024

Daniel Fox

Daniel Fox, City Manager 1/11/2024

Attachments:

1. 7.2.a Diamond Bar Request for Proposals - Solid Waste Services
2. 7.2.b City of Diamond Bar Request for Proposals - Solid Waste Services Final Report

Subject: Diamond Bar RFP
From: Enrique Vazquez <enrique@sloanvazquez.com>
Date: 5/3/2023, 4:59 PM
To: "Quiroa, Lily" <LQuiroa@wm.com>, David Perez <DavidPerez@zerepmanagement.com>
CC: 'Alfa Lopez' <ALopez@DiamondBarCA.Gov>

Lily Quiroa,
David Perez

Attached you will the RFP for Solid Waste Services for the City of Diamond Bar.

Included are the following documents and files;

1. RFP
2. Attachment 2: Proposer's Code of Conduct
3. Attachment 3: Description of Services
4. Attachment 4: Current Rates
5. Attachment 5: City Facilities
6. Attachment 6: Rate Proposal Forms
7. Attachment 8: Proposal Outline

Not included with this distribution are the following.

1. Attachment 1: Draft Franchise Agreement
2. Attachment 7: Rate Adjustment Procedures

These last two will be released as soon as they are complete but likely within a week of today.

We have scheduled a mandatory pre-proposal conference for May 10, 2023 at 10: a.m. We will be sending out invitations soon.

Please note that any inquiries going forward must be directed in writing to DiamondBarRFP@sloanvazquez.com. Please send an initial email to ensure that your emails are being received.

Thank you for your participation. I look forward to working with you.

--
Enrique Vazquez
Sloan Vazquez McAfee
626-347-3226
www.sloanvazquez.com

Attachments:

DB RFP Final 5-3-23.pdf	484 KB
Attachment 2 - Proposer's Code of Conduct & Non-Collusion Affidavit.pdf	168 KB
Attachment 3 - Description of Service Area.pdf	181 KB

Attachment 4 - Current Rates.pdf	1.9 MB
Attachment 5 - City Facilities.pdf	145 KB
Attachment 6 Diamond Bar Rate Proposal Forms-Citywide.xlsx	101 KB
Attachment 6 Diamond Bar Rate Proposal Forms-Commercial.xlsx	94.5 KB
Attachment 6 Diamond Bar Rate Proposal Forms-Residential.xlsx	99.1 KB
Attachment 8 - Proposal Outline.pdf	146 KB

REQUEST FOR PROPOSALS

FOR

SOLID WASTE SERVICES

Issued by

CITY OF DIAMOND BAR CALIFORNIA

fPrepared by:

SloanVAZQUEZMcAFEE
MUNICIPAL SOLID WASTE ADVISORS

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May 3, 2023

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SECTION 1 - INTRODUCTION

OVERVIEW OF REQUEST FOR PROPOSAL

The City of Diamond Bar (City) is soliciting proposals from Waste Management and Valley Vista Services to provide solid wastes services to include the collection, transportation, recycling, processing, and disposal of solid waste.

Currently, solid waste services are provided under a Residential Cart Customer Franchise Agreement with Waste Management (WM) and a Commercial Bin and Roll-Off Box Franchise Agreement with Valley Vista Services (VVS).

WM provides collection services to residential premises that receive residential collection using carts and for temporary roll-off box and temporary bin collection service for cleanup or construction work performed at residential customers to whom WM provides collection service using carts. Temporary collection service for the construction of new residences, and all work on commercial premises, and residential premises that receive collection service using bins, are excluded from WM's franchise agreement.

VVS provides collection services to commercial premises and all residential premises that receive collection using bins and including temporary bin and temporary roll-off box collection service with the exclusion of residential premises that receive collection service using carts.

By issuing this Request for Proposals (RFP) for solid waste services, the City is competitively procuring franchised solid waste services. VVS and WM are exclusively invited to present a proposal to provide solid waste service to their respective service area under the existing franchise agreements as well as a proposal to provide City-wide solid waste services including residential, commercial, and permanent roll-off and on-call services. Should the City determine that proposals received from VVS and WM are inadequate to meet the City desired goals, the City reserves the right to invite additional proposers prior to making a final decision in the selection of a contractor or contractors.

A key point of reference is the Draft Solid Waste Services Franchise Agreement (Agreement) included as Attachment 1. The Agreement provides definitions, contract terms, and conditions, including a complete description of the services to be provided. If there are differences between this RFP and the Agreement, the terms and conditions in the Agreement shall prevail.

PROPOSAL CLARIFICATIONS AND UPDATES

Proposers wishing to receive answers to questions and other RFP addenda must register by providing contact name, company name, address, e-mail address, and phone number via email to DiamondBarRFP@sloanvazquez.com. All Questions regarding this RFP shall be submitted to the City's

Consultant to DiamondBarRFP@sloanvazquez.com (see RFP Section 5 – Proposal Submittal Requirements.)

Only written responses will govern. Written questions may not be accepted after the date shown in the schedule in Table 1. However, simple questions regarding how to complete submittal forms or otherwise complete the proposal requirements, may be submitted via email until the proposal due date.

CITY GOALS AND OBJECTIVES

The City's goals and objectives for the RFP process and future collection services are as follows:

Integrity, Competition in Selection Process, and Contract Terms Consistent with CalRecycle Compliance Requirements

- Conduct the RFP process with integrity and transparency.
- Stimulate competition among proposing companies.
- Set high performance standards.
- Ensure value for ratepayers.
- Enter into a contract with fair terms and conditions.

Quality, High-Value Programs

- Consistent, reliable, and quality service.
- Efficient service delivery that provides a strong value to the ratepayers.
- Responsive customer service system.
- Well-planned and professionally executed transition to any new programs and services.
- Quality outreach and education.
- Effective diversion programs to ensure compliance with regulations.

ORGANIZATION OF RFP

This RFP is organized into six sections as follows:

- Section 1 provides a brief introduction to the RFP.
- Section 2 provides background information.
- Section 3 presents the scope of required services.
- Section 4 provides the RFP policies, conditions, and process.
- Section 5 describes the RFP submittal requirements.
- Section 6 outlines the proposal evaluation process.

RFP SCHEDULE

The key activities and completion dates for the RFP process are provided in Table 1.

Table 1 – RFP Schedule

Milestones	Date
City issues RFP	May 3, 2023
Mandatory pre-proposal meeting at 10:00 a.m.	May 10, 2023
Deadline to submit written questions by 5 p.m.	May 24, 2023
Distribution of Addenda	May 31, 2023
Proposals Due no later than 4 p.m.	June 19, 2023
Option to Release RFP to Public	August 6, 2023
Evaluation Results Reported to City Council	October 9, 2023
Final Selection and Approval	November 14, 2023
Contractor commences providing services	September 1, 2025

Note: The City reserves the right to modify this schedule as needed.

SECTION 2 - BACKGROUND

BACKGROUND INFORMATION

The information presented in this section and the related Attachments listed below are for informational purposes only. Each proposer should take whatever steps it believes are necessary to determine the actual service requirements of the City and understand service conditions when preparing a proposal. The following is a list of Attachments providing reference information for proposers (Attachments 2 and 6 are for completion and submittal with the proposal):

- Attachment 1 is the Draft Agreement.
- Attachment 2 is the Proposer Code of Conduct and Non-Collusion Affidavit.
- Attachment 3 provides Service Data.
- Attachment 4 provides Current Rates for solid waste services.
- Attachment 5 provides a list of City Facilities.
- Attachment 6 provides the Rate Proposal Forms.
- Attachment 7 provides Rate Adjustment Methodology.
- Attachment 8 provides the Proposal Outline.

SERVICE DATA

Service data including a description of the service area, rate revenue, tonnage collected, units serviced and the most recent rates effective July 1, 2022, are shown in Attachment 3.

TERM OF NEW AGREEMENT OR AGREEMENTS

The initial term of the new agreement is ten (10) years. City may, in its sole discretion, authorize an extension of up to twenty-four (24) months prior to the expiration of the initial term of the agreement.

The City anticipates exercising its option to extend the current Agreements for an additional twenty-four (24) months setting their expiration to August 31, 2025. The new Agreement(s) will take September 1, 2025.

SECTION 3 - SCOPE OF REQUIRED SERVICES

This section provides a brief description of the services solicited through this RFP. The Agreement provides the detailed scope of services. The Agreement is included as Attachment 1. **The Agreement provides definitions, contract terms and conditions, performance standards, including a complete description of the services required by the City. If there are differences between this RFP and the Agreement, the terms and conditions in the Agreement shall prevail.**

SINGLE-FAMILY DWELLING (SFD) SOLID WASTE SERVICES

Under the current agreements, residential solid waste service includes services to residential premises that receive solid waste services using carts but excludes temporary solid waste collection services for construction of new residences, and all work on commercial premises, and residential premises that receive collection services with bins which are addressed under the commercial solid waste services agreement.

Under this RFP, residential solid waste service includes services to single-family dwellings (SFD) and multi-family dwellings (MFD) of less than five units regardless of container size, type (cart, bin, roll-off box) required for service, including roll-off services, permanent, temporary, and on-call, and on-call clean-up bins. MFDs of five or more units are included under commercial solid waste services.

Refer to draft Agreement Section 3.2 for a complete description of service requirements for Residential services.

<u>Standard Cart Service:</u> Standard cart service will be the weekly, automated collection of refuse, recycling, and organics. The default cart size for each waste stream shall be 64-gallons. Customers may request different size carts for each waste stream. Carts shall be offered in 35, 64, and 96-gallon cart sizes. The monthly rate shall be based on the refuse cart size. Recycling and organics carts shall be collected on the same day as refuse collection.

Additional refuse carts beyond one may be requested for an additional monthly fee. Customers may request a second recycling cart at no additional charge. Additional recycling carts beyond two are subject to an additional monthly fee. Customers may request a second organics cart at no additional charge. Additional organics carts beyond two are subject to an additional monthly fee.

<u>MFDs of Less Than Five Units:</u> MFDs of less than five may be provided solid waste services (refuse, recycling, and organics collection) using carts or bins as appropriate for the conditions, requirements, and needs of the customer.

<u>Refuse Cart Overage</u>: Provide two annual pickups per calendar year and an end-of-year pickup for refuse that would otherwise be placed in the refuse cart but excluding bulky items, at no additional charge. Each annual pickup may consist of up to the equivalent of three (3) large bags, boxes, or barrels of refuse. End-of-year pickup of all additional refuse that is placed out for collection in the customer's own containers (bags, boxes, barrels, etc.) for two weeks beginning each December 26. Contractor may charge an additional fee per pickup of all refuse that does not fit in the refuse cart(s) beyond the free pickups.

Backyard Service: Provide backyard service defined as retrieving for collection all carts, green waste bundles and cart overages from a customer's designated collection location, other than curbside, such as backyard, side yard, or driveway, and returning empty carts and other containers to their original location. Backyard service is subject to an additional charge.

Backyard Service for the Disabled: Provide backyard service at no additional charge to any customer who is legally or medically recognized as disabled. See RFP Section 3 – Residential Rate Arrangements).

Temporary Roll-Off and Temporary Bin Service: Provide temporary roll-off box and temporary bin service upon customer request for cleanup or construction.

On-Call Bulky Item: Provide bulky item pickup service to all SFD and MFD. Each Dwelling Unit shall be entitled to four bulky item pickups per calendar year at no additional charge. Customers may put out up to three (3) cubic yards of material at each pickup. Bulky item collections that exceed the number of free pickups may be subject to an additional charge.

Door-to-Door HHW Collection: Provide SFD and MFD customers with door-to-door call-in HHW collection. Each Dwelling Unit shall be entitled to two door-to-door Residential HHW pickups per calendar year at no additional charge. Items to be collected include, at a minimum: paint and paint products including but not limited to thinners, glues, caulking, stains, wood preservatives and strippers; universal waste, household cleaners; automotive wastes; swimming pool chemicals; garden chemicals; fluorescent tubes; thermometers; and household batteries. Contractor may direct residential customers to use the bulky item pickup option for televisions, computers and other HHW that may safely and legally be collected as bulky items.

Annual Household Hazardous Waste Event: Assist the City in increasing awareness of Household Hazardous Waste events by promoting the Los Angeles County Household Hazardous Waste collections held in Diamond Bar. Promotional activities will include posting on contractor's website, inclusion in the annual brochures/ mailings mailed to each Customer, billing inserts, social media targeted outreach, and press releases to local news outlets.

Curbside Used Oil and Oil Filter Collection: Collect used oil placed curbside beside solid waste container on regular collection day at no additional charge. Educate customers to place used oil in clean containers and used oil filters in clean zip-lock bags.

Sharps Mail Back Program: Operate a mail-based program and/ or a drop-off program for the safe processing of Sharps generated by its customers. Upon request, Sharps containers will be delivered directly to residential customers at no cost to the customer or City. Contractor will make arrangements with pharmacies and/ or other locations throughout the City for residents to drop-off Sharps at no cost to the Customer or City.

Medication Takeback Program: Assist the City in increasing awareness of medication takeback programs provided by the Los Angeles County Sheriff's station and any third-party events held in Diamond Bar. Promotional activities will include posting on contractor's website, inclusion in the annual brochures/mailings mailed to each residential customer, billing inserts, social media targeted outreach, and press releases to local news outlets.

FreeCycle.com: Contractor will publicize to residential customers its free materials exchange/ gifting program, known as FreeCycle.org, and shall promote FreeCycle.org on Contractor's website, and the annual brochure/mailings.

Annual Holiday Tree Recycling Collection: Provide collection of holiday trees from December 26 through the second Sunday in January.

Compost Giveaway: Distribute coupons through quarterly billings entitling residential customers to receive two bags of compost per event at two community events per year to be identified by City.

COMMERCIAL SOLID WASTE SERVICES (INCLUDING MULTIFAMILY PREMISES OF 5 OR MORE UNITS)

Under the current agreements, commercial solid waste service includes services to commercial premises and residential premises that receive solid waste services using bins, including temporary bin and temporary roll-off box collection service with the exclusion of residential premises that receive solid waste services using carts. Under this RFP, commercial solid waste services include services to commercial premises and MFDs of five or more units regardless of the container size and type (cart, bin, roll-off box) required for service, including roll-off services, permanent, temporary, and on-call clean-up bins. MFDs of less than five units are included under residential solid waste services.

Refer to draft Agreement Section 3.3 for a complete description of service requirements for commercial and MFDs.

Refuse Collection: Provide refuse collection using bins or carts as frequently as scheduled by the customer, but not less than once per week and more frequently if required to handle the solid waste generated at the premises where the bins are located.

Recycling Collection: Provide source-separated recycling collection using bins or carts as to all locations that are required to subscribe to organics collection by AB 341. Recycling services shall be provided at a rate not to exceed 50% of the equivalent refuse rate for similar container sizes and service frequency.

Organics Collection: Provide source separated organics collection using bins or carts to all locations that are required to subscribe to recycling collection by AB 1826 and SB 1383. Organics services shall be provided at a rate not to exceed the equivalent refuse rate for similar container sizes and service frequency.

Bin Pushout Service: Provide pushing or rolling containers to the point of collection to locations that require such service at no additional charge.

Scout Service: Offer scout service by using a small vehicle either to move containers to street or other public right-of-way for Collection.

Locking Bins: Provide the hasp and lock and service the lock.

Permanent Roll-Off Box Service: Rates shall be charged as "pull plus dump", a set rate for the service component plus the per ton charge based on actual tonnage collected.

Temporary Roll-Off and Temporary Bin Service: Provide temporary roll-off box and temporary bin service upon customer request for cleanup or construction. Contractor must deliver a temporary roll-off box within forty- eight (48) hours of request (Saturdays and Sundays excluded).

Temporary Bin Service: Rates shall be charged as “bin delivery/pickup plus one dump.” Additional charges may include, additional dump, and rental fee after seven (7) days with no dump or bin pickup. Contractor must deliver a temporary bin within forty- eight (48) hours of request (Saturdays and Sundays excluded).

On-Call Bulky Item: Provide bulky item pickup service to MFDs. Each dwelling unit is allowed up to four bulky item pickups per calendar year at no additional charge. Customers may put out up to three (3) cubic yards of material at each pickup. Bulky item collections that exceed the number of free pickups may be subject to an additional charge.

Electronic Waste: For MFD, E-Waste will be collected as bulky items.

Door-to-Door HHW: Provide MFDs door-to-door call-in HHW collection service to each dwelling unit at no additional charge. Items to be collected include, at a minimum: paint and paint products including but not limited to thinners, glues, caulking, stains, wood preservatives and strippers; universal waste, household cleaners; automotive wastes; swimming pool chemicals; garden chemicals; fluorescent tubes; thermometers; and household batteries. Televisions, computers and other HHW may be collected as bulky items when safe and legal to do so.

Annual Holiday Tree Recycling: Provide MFD’s collection of holiday trees from December 26 through the second Sunday in January.

C&D DEBRIS COLLECTION SERVICES

All loads of mixed C&D debris shall be delivered to a processing facility to meet all requirements described in draft Agreement Section 3.7. Contractor shall divert from landfilling a minimum of 75% or the State-mandated Construction and Demolition diversion percentage, whichever is greater, of all Construction and Demolition Debris Collected.

CITY COLLECTION SERVICES

City Facilities Collection: Collect and dispose of all refuse, recyclables, and organics generated and accumulated at premises owned and/or operated by the City at no additional charge (including e-waste, and construction and demolition debris) and in compliance with AB 341, AB 1826, and SB 1383. Such premises include, but are not limited to, offices, parks, and street maintenance operations. See Attachment 4 for the current list of facilities and service levels.

These facilities and service levels may vary over the term of the new agreement, with no increase in compensation for additional collection services. (Refer to draft Agreement Section 3.8.)

City-Sponsored Events: Provide refuse, recyclables, and organics collection using carts, bins, roll-off boxes, cardboard boxes with liners, or other such containers at no charge at City–sponsored events. These events and service levels may vary over the term of the new agreement, with no increase in compensation for additional collection services.

Should the City select separate contractors for the residential and commercial sectors, the City intends to alternate events between the two contractors with no guarantee that events will be evenly distributed based upon either level of effort or number of events.

City-sponsored events include, but are not limited to:

- Concerts in the Park
- City Birthday Celebration
- Fourth of July
- Fall Fun Festival
- Winter Snow Festival
- Arbor Day
- Easter Egg Hunt

Abandoned Item Collection: Provide collection of bulky waste abandoned in the City right-of-way or other public property within contractor's service at no additional charge, within one business day of notification from City. Contractor will not be required to Collect Hazardous Waste, liquid wastes, or automobile parts that are individually too large for Collection by two people. City will contact either the residential or commercial franchisee to provide this service, depending on the location of the abandoned item.

Community Development Review Services: Review building permit applicants' plans and advise regarding adequacy of container storage space and access, particularly to accommodate recycling and organics containers upon the City's request and at no additional charge to the City.

Large Venue Event Assistance, Event Recycling: Assist planners of large venue events with reporting and planning needs as may be useful in meeting the requirements of AB 2176, found at California Public Resources Code 42648, et seq. at no additional charge. Contractor shall provide recycling and organics collection services upon request to special event planners.

Confiscation of Unauthorized Containers: Confiscate illegal containers located within the City's public right~~s~~-of-way~~s~~, upon notification from City, or if Contractor finds illegally placed Containers based on procedure provided in the franchise agreement.

Provision of Storage Containers: Provide the City with eleven 40-cubic-yard portable storage containers to be used for storage at City facilities and schools for the duration of the Agreement. Containers will be maintained in a condition satisfactory to the City. Contractor may transfer ownership of these storage containers to City, provided Contractor will remove and dispose of these containers when requested to by City.

Emergency Collection and Disposal Service: Assist City at the City's request with emergency Collection and Disposal service in the event of major disaster, such as an earthquake, storm, riot, or civil disturbance, or as otherwise determined necessary by the City, by providing Collection equipment and drivers normally assigned to City. Contractor may charge City for actual Disposal costs plus service rates per the approved rate schedule.

KEY CONTRACT TERMS

STATE DIVERSION COMPLIANCE

The selected contractor will ensure that the City is in full compliance with AB 939, AB 901, AB 341, AB 1594, AB 1826, and SB 1383, and all related state laws and regulations in effect during the term of the Agreement.

Requirements include, but are not limited to the following:

Collection, Processing and Diversion Programs and Services: The Contractor will provide collection, processing and diversion programs and services relative to AB 939, AB 901, AB 341, AB 1594, AB 1826, SB 1383, and all future applicable regulations.

Public Education and Outreach: The Contractor will provide public education to residents and businesses relative to AB 939, AB 901, AB 341, AB 1594, AB 1826, SB 1383, and all future applicable regulations. Proposers must describe their proposed public education and outreach commitments in their AB 341, AB 1826, SB 183 Implementation Plan.

<u>Container Specifications and Distribution:</u> The selected contractor will be responsible for providing and maintaining all containers under this agreement. Carts shall be new upon initiation of services under the Agreement, and bins may be new or used. All carts and bins will be color-coded and labeled to be compliant with SB 1383.

<u>Diversion Monitoring and Reporting:</u> The Contractor will provide monitoring and reporting relative to AB 939, AB 901, AB 341, AB 1594, AB 1826, SB 1383, and all future applicable regulations.

<u>Environmental Coordinator</u>: To achieve a high level of recycling public education and awareness, the Contractor shall designate an Environmental Coordinator to the City to complete outreach to SFD, MFD and Commercial customers, and develop and implement all public education and outreach activities required under the Agreement. The Recycling Coordinator shall conduct outreach, promote waste reduction, recycling, diversion programs, and provide technical assistance to Multi-family and Commercial Customers. The Environmental Coordinator shall not be the primary Contractor liaison described in draft Agreement Section 7.16B.

Faithful Performance Bond & Letter of Credit

The selected contractor will be required to provide a performance bond totaling $125,000 and a performance Letter of Credit $125,000. As an alternative, the selected contractor may provide a Letter of Credit in the amount of $250,000, or deposit funds, on terms satisfactory to the City, in an interest-bearing account.

Insurance

The selected Contractor is required to maintain minimum insurance levels. See draft Agreement Article 9 for the minimum limits of insurance for general liability, automobile liability, and workers compensation.

Collection Vehicle Requirements

Contractor's collection vehicles shall be not older than two-years and in like-new condition upon initiation of services under the Agreement, no more than 10 years of age during the initial term of the Agreement and no older than 15-years in age during any future extensions of the Agreement, and comply with Department of Transportation, South Coast Air Quality Management District and the California Air Resource Board requirements. Contractor's collection vehicles must use only renewable natural gas. See draft Agreement Section 3.10.4.

Automated Cart Requirements

All carts shall be new at the start of service under this agreement. Proposer shall describe carts which it intends to use in the City, pending City approval. Include manufacturer, specific sizes, SB 1383 compliance, colors of carts and lids by waste stream, and a photograph.

FEES

Franchise Fee: Contractor shall pay a Franchise Fee that is commensurate with the value to be received by Contractor in receiving the exclusive right to provide the service set forth herein. The City concludes that a reasonable and appropriate amount for the benefits provided should be a minimum of Four-Hundred Ten-Thousand Dollars, ($410,000), in the first year. This payment to the City shall be referred to as a Franchise Fee and its percentage will be calculated according to estimated gross receipts from customers as shown in Form 2.0 Rate Revenue from Attachment 6 Rate Proposal Forms. (See draft Agreement Section 9.1). Should the City issue separate franchises for Residential and Commercial services, the commercial franchise fee shall be a minimum of One-Hundred Twenty-Three Hundred Dollars ($123,000) and the residential franchise fee shall be a minimum of Two-Hundred Eighty-Seven Thousand Dollars ($287,000).

CALRECYCLE Compliance Fee: Contractor shall pay to the City a CalRecycle Compliance Fee of Seven-Hundred Fifty Thousand Dollars ($750,000) adjusted annually as described in draft Agreement Section 9.2 and 9.7. The CalRecycle Compliance Fee amount represents a reasonable allocation of the City's budgeted costs to comply with State mandates resulting from the enactment of AB 939 and subsequent related legislation including, but not limited to: AB 2176 (Chapter 879, Statutes of 2004), SB 1016 (Chapter 343, Statutes of 2008), AB 341 (Chapter 476, Statutes of 2011), AB 1826 (Chapter 727, Statutes of 2014), and SB 1383 (Chapter 395, Statutes of 2016) which require jurisdictions to implement solids waste Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements. Should the City issue separate franchises for Residential and Commercial services, each franchisee shall pay a minimum CalRecycle fee of Three-Hundred Seventy-Five Thousand Dollars ($375,000).

Residential Vehicle Impact Fee: Contractor shall pay to the City an annual Vehicle Impact Fee of One-Hundred Seventy-Five Thousand Dollars ($175,000) adjusted annually as described in draft Agreement Section 9.4 and 9.7. The Residential Vehicle Impact Fee is to reimburse the City for costs to provide road maintenance to City's streets due to "wear and tear" caused by the use of Contractor's Solid Waste Collection vehicles on City Streets. Should the City issue separate franchises for Residential and Commercial services, only the residential franchisee shall pay the Residential Vehicle Impact Fee.

Residential Street Sweeping Fee: Contractor shall pay to the City an annual Street Sweeping Fee of One-Hundred Seventy-Five Thousand Dollars ($175,000) adjusted annually as described in draft Agreement Section 9.5 and 9.7. The Residential Street Sweeping Fee is to reimburse the City for the cost of sweeping residential streets. Should the City issue separate franchises for Residential and Commercial services, only the residential franchisee shall pay the Residential Street Sweeping Fee.

Contracting Fee: Contractor shall pay the City a one-time contracting fee of One-Hundred Thousand Dollars ($100,000) within seven (7) days of the execution of the new agreement. Should the City issue separate franchises for Residential and Commercial services, the commercial franchisee shall pay Thirty-Thousand Dollars ($30,000) and the residential franchisee shall pay Seventy-Thousand Dollars ($70,000).

Late Payment Fee: Contractor shall pay the City a Late Payment Fee of 10% of any amount passed due for the month plus 1.5% for each month the payment is late thereafter.

HOLIDAY SCHEDULE

If the regularly scheduled collection day falls on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, or Christmas Day, collection days for the remainder of that week shall all be postponed one collection day and residential collection is permitted on Saturday during the make-up week.

CUSTOMER RATE ARRANGEMENTS

The rate schedules establish the maximum rates that may be charged. Initial rates will be set based on the rates proposed in Attachment 6. The rates will thereafter be adjusted using a rate adjustment procedure described in Article 8 of the draft Agreement. The first rate adjustment is effective July 1, 2026.

RESIDENTIAL RATE ARRANGEMENTS

Standard Cart Service: Standard cart service will be the weekly, automated collection of refuse, recycling, and organics. The default cart size for each waste stream shall be 64-gallons. Customers may request different size carts for each waste stream. Carts shall be offered in 35, 64, and 96-gallon cart sizes. The monthly rate for the collection of all three waste streams shall be based on the refuse cart size selected by the customer.

Disabled Customer Discount: Currently customers determined to be disabled by issuance of a handicap placard from the DMV or by meeting City-established guidelines receive backyard service at no additional charge. The City invites Proposers to propose this service at no charge or at a discounted rate. Please note that discounted rates shall be provided at the sole cost of the Contractor and will be considered a disallowed cost for Proposition 218 purposes.

Senior Citizen Discount: Currently, senior citizens of 60 years of age or older, residing in the premises where service is received and listed on the bill are entitled to a discounted senior rate. The City invites Proposers to propose this service a senior citizen discount. Please note that the discounted portion of the rate shall be at the sole cost of the Contractor and will be considered a disallowed cost for Proposition 218 purposes.

COMMERCIAL AND MFD RATE ARRANGEMENTS

The City will maintain a rate structure that includes separate fees for the collection of refuse, recyclables, and organics. A volume-and-frequency based rate structure will be used. Contractor shall charge rates to the customer based on each customer's size and number of containers at a rate not to exceed the corresponding rate in the maximum rate table. Recyclables collection will be offered at a

50% of the refuse rate. Organics collection shall be charged at the same rate as the refuse rate for the equivalent container size and frequency.

City Facilities

The City's facilities shall be provided all collection services at no additional charge. Services shall include refuse, recycling and organics collection services.

Charges for Additional Services

The Contractor's proposed rate schedule shall include all charges for special services, including but not limited to:

- Additional carts.
- Scout service.
- Locking bins.
- Pulling or pushing containers to a collection vehicle.
- Steam cleaning containers (excluding carts) more frequently than one time per year as requested by the customer.
- Additional bulky item collection services.

Please see Proposal Forms for more details on situations in which special service charges apply.

Rate Adjustment Methodology

Refer to Attachment 7 for a complete description of the rate adjustment methodology.

SECTION 4 - RFP POLICIES, CONDITIONS, AND PROCESS

RIGHTS RESERVED BY THE CITY

The City reserves the right, in its sole discretion, to pursue any or all of the following actions regarding this RFP process:

- Issue addenda and amend the RFP and Franchise Agreement.
- Request additional information and/or clarification from proposers.
- Extend the deadline for submitting proposals.
- Withdraw this RFP.
- Reject proposals that do not fully comply with the requirements detailed in this RFP, its attachments, addenda, or clarifications.
- Reject incomplete proposals; proposals containing errors, inconsistencies, false, inaccurate, or misleading information; proposals submitted after the deadline; or proposals with other process or content errors or deficiencies.
- Amend the Municipal Codes of City.
- Award a proposal based on a combination of its qualitative and quantitative attributes.
- Take other actions the City deems are in the best interest of the City, residents and businesses in the City service area; and,
- Negotiate changes in the services proposed and/or described in the RFP or to incorporate programs proposed by others.

GENERAL RFP REQUIREMENTS

- This RFP shall not be construed by any party as an agreement of any kind between the City, contractor(s), and other parties.
- This RFP does not obligate the City to accept any proposal, negotiate with any proposer, award a Franchise Agreement, or proceed with the development of any project or service described in response to this RFP. The City has no obligation to and shall not compensate any proposer for its expense of preparing its proposal and participating in this procurement process.
- Please note that the City’s procurement of Franchise Collection Services is not subject to State bidding laws, and the City does not intend to cause the current RFP process to become subject to such public bidding laws or regulations.
- The City shall have the right (but not the obligation) to perform a review of each proposer's ability to perform the work required. Each proposer must agree to cooperate with such a review. Such cooperation by proposer shall apply to the verification of the proposer's capability and experience in the provision of services and any other component of work that may be required under this procurement.
- The City, and its consultants, will be conducting reference checks on proposers that will involve contacting jurisdictions currently or previously served by proposer, as well as contacting

regulatory agencies involved in oversight of proposers' facilities. In addition, the City, or its consultants, may research proposers' past performance by reviewing litigation history, regulatory actions, highway driving records, criminal investigations, and recycling history. The proposer's submission of a proposal shall constitute an agreement to cooperate with the City's review.

- Submittal of a proposal signifies the submitting proposers' commitment to provide the proposed services if selected. In addition, all aspects, conditions, and components of proposals submitted shall be valid for one year from date of submittal. Proposals may not be altered after submittal, except in response to the City's request for clarification.

CODE OF CONDUCT

PROPOSER CODE OF CONDUCT

Proposers are required to sign the Proposer Code of Conduct, which includes a Non-Collusion Affidavit (Attachment 2). This document prohibits ex-parte communications with City elected officials; prohibits giving any gift or monetary compensation to City staff member or consultants; prohibits collusive activities with other potential proposers. If a proposer does submit the document or violates the code of conduct, the City has the right to disqualify the proposer from this RFP process.

Please note: the notarized Proposer Code of Conduct and Non-Collusion Affidavit is required to be submitted no later than one week after the mandatory pre-proposal meeting. An electronic copy may be emailed to DiamondBarRFP@sloanvazquez.com and an original must be mailed to the City.

PROPOSAL SUBMITTAL REQUIREMENTS

Submission of a proposal shall constitute acknowledgment and acceptance of all the terms and conditions contained in this RFP, and in the draft franchise agreement, unless exceptions are expressed in writing in the proposal (See RFP Section 5 Exceptions to the Agreement). The successful proposer will be expected to enter into a franchise agreement with the City; only those exceptions noted in its proposal will be considered for modification. The City is not obligated to agree to these exceptions but reserves the right to negotiate modification of such noted exceptions to the draft franchise agreement.

The schedule of events presented in this section is summarized in Table 1.

STEP ONE – R.S.V.P TO ATTEND PRE-PROPOSAL MEETING

Proposer must register their intent to respond to this RFP by emailing notification to **DiamondBarRFP@sloanvazquez.com**.

Step Two – Mandatory Pre-Proposal Meeting

A mandatory pre-proposal meeting will be held by video conference. An invitation will be emailed to each registered proposer. The current date and time of the pre-proposal meeting are provided in Table 1 – RFP Schedule.

Step Three – Submittal of Written Questions

The City directs proposers to submit all questions and requests for information in writing directly to the City's consultant at DiamondBarRFP@sloanvazquez.com. The deadline for submitting written questions and requests for information is provided in Table 1 – RFP Schedule.

Written responses to questions will be provided to all eligible proposers. In the event of any inconsistencies between oral responses provided at the pre-proposal meeting and written responses subsequently issued. The written responses must be used for preparing proposals.

Step Four – Proposal Submittal

Proposer shall submit One (1) double-sided copy of the complete proposal and one (1) single sided, signed original according to the deadline provided in the RFP Schedule. In addition, the proposers are required to submit a flash drive containing:

- A digital copy of all completed rate proposal forms (Attachment 6 of the RFP) in Microsoft Excel format.
- A digital copy of the Draft Franchise Agreement, noting all exceptions and proposed substitute language in redline/strikeout, in Microsoft Word format.
- A complete PDF of the proposal including the rate proposal forms. and,
- The required Surety must be included in the sealed package.

These items shall be placed and submitted in a sealed package. Proposals must be formatted on 8½ inch by 11-inch paper with post-consumer recycled-content paper. All pages shall be consecutively numbered; although, each section may start with a new page number if proceeded with the section number (e.g., Page 2-1 for the first page of section 2).

Surety: Each proposal must be accompanied by a surety made payable to "City of Diamond Bar" in the amount of $25,000 and in the form of a certified check, cashier's check, or bid bond. The surety shall be submitted with the proposal in a separate, clearly labeled envelope.

The purpose of the surety is to guarantee that the successful contractor will execute a Franchise Agreement with the City. If the selected contractor does not execute the Franchise Agreement within 30 calendar days after receiving notice of the award of Franchise Agreement, the City shall keep the surety to offset the potential cost associated with identification of an alternate service provider and schedule delays. Additionally, the City has the right to pursue additional and reasonable costs incurred in this event.

Checks and bonds will be returned to all proposers no later than ten calendar days after the City has executed the Franchise Agreement with the successful contractor. If no selection is made within one year of the submission of proposals, each proposer may demand their proposal surety be returned. ~~H~~owever, the City reserves the right to eliminate proposals from such companies from further consideration.

Proposals received late will not be considered. Postmarks will not be accepted as proof of receipt.

The package shall be clearly labeled:

PROPOSAL FOR CITY OF DIAMOND BAR SOLID WASTE SERVICES

FROM: Name of Proposer
Address: Address of Proposer
Contact Person:
Telephone Number:
E-mail:

The proposal may be mailed or hand delivered to:

CITY CLERK
City of Diamond Bar
21810 Copley Dr.
Diamond Bar, CA 91765

STEP FIVE – CLARIFICATION OF PROPOSAL INFORMATION AND INTERVIEWS

Proposers may be asked to clarify information through written communications, interviews or during site visits of each proposer's offices, customer service center, corporation yard and maintenance facilities, and disposal, transfer, and processing facilities. The City reserves the right to conduct in-person interviews with one or more proposers.

STEP SIX – SELECTION OF RECOMMENDED CONTRACTOR AND NEGOTIATION OF FINAL AGREEMENT

The City and/or its consultants will recommend for consideration by the City Council a preferred contractor for both residential and commercial services, or a contractor for residential and another contractor for commercial services.

Should the City and/or its consultants determine that none of the proposals submitted by VVS or WM meet the best interest of the City and the ratepayers, the City may choose to publish this RFP to the public and invite additional proposals for consideration prior to selecting a contractor or contractors, in which case, the process will revert to Step One. In the event that the City releases this RFP to the public, it is the City's intention to keep VVS and WM's proposals confidential until the contractor selection process is complete.

Once the City Council approves selection of a final contractor or contractors then final negotiation will take place for the Franchise Agreement(s). Except at the sole discretion of the City, all negotiations with the Proposers will be limited to the Proposers' listed exemptions and proposed substitute language in the draft agreement contained in their proposal.

LIMITS ON DISCLOSURE OF PROPOSALS

The City has determined that the public interest will be best served if proposals submitted in response to this RFP are not made available for review by other companies participating in the competitive selection process. For that reason, proposals (and materials submitted during subsequent meetings and discussions with City staff) will not be made available to other proposers or the public generally any earlier than the date on which City staff issues to City Council a contractor or contractors recommended for final consideration/negotiation.

As part of the Council Report, the City may include some portion(s) of the proposal(s) that have not been identified as entitled to confidential treatment as containing trade secrets. However, inclusion of some portion(s) of the proposal(s) in the Council Report may be deferred until after the City Council has selected a proposer for negotiations. In this case, some portion(s) of the proposal(s) may be included in the Council Report prepared for the meeting where the results of the completed negotiations are presented. This is the only release of any portion(s) of proposal(s) that will be permitted prior to the execution of this agreement.

No proposer may, directly or through an intermediary, employ the Public Records Act to obtain access to non-confidential materials submitted to the City by other proposers prior to the execution of the agreement for this contract.

The following procedures will be followed for the disclosure of proposals following the execution of the agreement:

- Materials which a proposer considers as trade secret information entitled to protection from disclosure under Government Code Section 6254(k) must be clearly marked on each page as "CONFIDENTIAL".
- If the City receives a request to review and/or copy materials submitted by any proposer, it will decline to release those materials marked "CONFIDENTIAL" pursuant to Government Code Section 6255.
- If the person submitting the request files a legal action against the City seeking its release, the City will notify the affected proposer(s) and will not oppose a motion by such proposer(s) to intervene in the action. The proposer(s) must either intervene or agree to pay the City's legal expenses in defending the action, including fees, if any, awarded to the plaintiff. Absent such an agreement, the City will have no obligation to defend the action and may release the information sought without any liability whatsoever.

- No proposer will seek damages against the City or recovery of its attorneys' fees from the City because of any dispute related to the release or withholding of information submitted in response to this RFP.
- Materials that have been marked as "CONFIDENTIAL" will either be destroyed or returned to all unsuccessful proposers once the agreement has been signed by City and by the selected proposer(s).

SECTION 5 - SUBMITTAL REQUIREMENTS

Section 5 includes the required proposal outline and a description of the specific information proposers must include. Proposer must provide the information specified in this section as part of its proposal. Failure to provide all the required information may be grounds for rejection of a proposal.

The proposer does not need to reiterate the service requirements of the Franchise Agreement in their proposal. However, proposer is requested to focus on describing how it plans to provide the services with regard to but not limited to routing strategies, collection methods, and equipment selection. Furthermore, if a proposer has presented information for one type of service that is the same for another type of service, proposer can refer to its previous description rather than reiterating the discussion in its proposal. For example, if SFD solid waste and recyclables collection vehicles are the same, the vehicle description can be provided once for the solid waste service and then referenced for the recyclable materials collection service.

PROPOSAL OUTLINE

Proposer shall present its proposal in accordance with the outline provided in Attachment 8. Information should be identified by number in the outline. Additional information or data relevant to the proposal is optional and may be included by proposer as proposal attachments.

1. GENERAL REQUIREMENTS

I. TITLE PAGE (OPTIONAL)

II. COVER LETTER

The cover letter shall clearly identify the legal entity or entities submitting the proposal and state whether each is a sole proprietorship, partnership, corporation, LLC, or joint venture. The cover letter shall be signed by the designated representative authorized to bind proposer. Proposer shall acknowledge receipt of any addenda issued as part of this RFP process.

III. TABLE OF CONTENT

2. PROPOSER OVERVIEW

2.1 PROPOSER'S BUSINESS STRUCTURE

Provide the following information regarding the proposing entity and entity that would provide a corporate guarantee, if applicable:

- Identify the legal entity that would execute the Franchise Agreement. State whether each entity is a sole proprietorship, partnership, corporation, LLC, or joint venture. Describe in detail the relationship of the proposer to the executing entity. If the proposer is a joint venture, describe where the entities have collaborated before.

- Identify the entity that would submit financial statements and whether it is an individual, a partnership, a corporation, or a joint venture. If other than proposing entity, indicate relationship and willingness to sign corporate guarantee.
- Confirm that proposer is authorized to do business in California.
- State the number of years the entities have been organized and doing business under this legal structure. Proposal must include all the names of company's (and executing entities if different than company's) owners/stockholders with greater than a 10% holding of the company's total assets.
- Identify the names of all officers.
- Identify other businesses with ownership by principals and/or management.
- Identify the corporate headquarters.
- Identify local headquarters (if different).
- Describe all services to be performed by subcontractors and identify each subcontractor by name. Proposer shall describe any current or past working relationship with the subcontractor(s) in the past five years.

2.2 Proposer's Experience

Proposer shall describe its experience serving a minimum of three (3) jurisdictions in California (preferably serving jurisdictions of similar or larger size and similar demographics to the City in a table format. Required information includes:

- The name of the jurisdiction where the services were provided.
- Commencement date of services and term of the agreement.
- The name, address, and telephone number of the jurisdiction representative responsible for administering the agreement.
- The services provided (e.g., solid waste collection, recyclable materials, organic materials collection, and other unique collection programs such as e-waste or household hazardous waste).
- The number of residential (i.e., specify SFD and MFD), Commercial (i.e., specify cart, bin, roll-off and other) and City (or other) customers served; tons collected, diverted, and disposed annually; and, the type and number of vehicles dispatched per day for each of the services provided.

Additionally, please provide at least one municipal citation for service transitions from another hauling company, including a brief description of the old and new services, and service transition dates, as well as the information listed in the first and last bullet above.

2.3 Key Personnel Qualifications

Provide an organizational chart and brief biographical description of the key personnel the proposer would assign to the transition team and the ongoing management of the services to be provided under the Agreement. Specify the percentage of time each individual will be assigned to services specified in the Franchise Agreement. Identify municipalities who have worked with the key personnel. Indicate which key personnel will be designated as the contractor liaison, service liaison, contractor representative, and emergency contact.

2.4 Proposer's Past and Pending Litigation

List all civil or misdemeanor or felony criminal court or administrative filings by and/or against California government agencies that are currently pending and/or that have been filed, settled or otherwise received a disposition within the last ten years that relate to the provision of solid waste service listing the names of the parties, the case number, and a brief description of the case and disposition, if any. This paragraph is applicable to the following persons and entities:

- The key personnel
- The owners and officers of the company
- The entity submitting the proposal; and/or,
- Any parent or affiliated company for actions filed in the State of California (For affiliates, proposer may limit disclosures of non-criminal matters to those in the Los Angeles County.
- Any strategic partners or subcontractors identified in RFP.
- Include the resolution and current status of each civil legal action.

Note: The term "affiliate" as used in this RFP is defined in Article 1 of the Agreement.

2.5 Financial Information

Provide the following financial information for the most recently completed fiscal year for the proposer or, if a corporate guaranty is to be provided, for the guarantor:

- The type of financial statements (audited or reviewed) and the corporate entity that they represent (proposer or corporate guarantor).
- The most recently completed fiscal year for which financial statements are available.
- Annual revenue from the most recently completed financial statements.
- Current Assets to Current Liabilities ratio (current assets/current liabilities) from the most recently completed financial statements.
- Total Liabilities to Total Assets ratio (total liabilities/total assets) from the most recently completed financial statements.

Upon request, proposers must submit the financial statements upon which the requested financial information is based within five (5) business days of the request. Statements must be prepared and presented in accordance with Generally Accepted Accounting Principles applied on a consistent basis and must include a statement by the chief financial officer of the proposer's company that there has been no material adverse change in conditions or operations, as reflected in the submitted balance sheets, income statements and cash flow statements, since the date on which they were prepared.

Proposers requested to submit financial statements may submit a single copy, stamped "confidential" and request for its return upon completion of the procurement process. The City will attempt to maintain the confidentiality of such a request, although confidentiality cannot be guaranteed.

The selected proposer will be required to submit "reviewed" or "audited" financial statements that demonstrate reasonable financial resources and stability to the satisfaction of the City. If awarded the contract, the financial statements shall remain with the City.

2.6 Insurance

Proposer must submit evidence that the proposer either has, or is able to obtain, the insurance coverage required in the draft Agreement Section 9.

3. PROPOSAL FOR SOLID WASTE SERVICES

Proposer shall describe how it plans to perform the solid waste services requested in this RFP and described in the Draft Franchise Agreement. Information must separately address all materials collected for Residential, Multi-family, Commercial, and City facilities.

3.1 Collection Services Approach

Proposer shall include detailed responses for each component of their collection approach, including at a minimum the categories listed below. If the strategies and/or assumptions are different for each organic material processing approach, provide details for each approach. Label each approach to correspond with the respective rate proposal.

- Routing strategy and productivity assumptions by service sector (SFD, MFD, Commercial and City facilities); discussion of special routing (if any) for collecting in narrow streets, courts, and alleys; and route productivity assumptions (in terms of SFD accounts per route per day and MFD/Commercial lifts per route per day) and where these productivity assumptions have been accomplished in other cities serviced by the proposer.
- Collection methodology (e.g., automated, semi-automated, one- or two-person crews, etc.), including discussion of special methods (if any) for collecting in any hard-to-service areas.
- Number of and description of the collection vehicles to be utilized including make, model, and year, body type, yardage capacity, tonnage capacity, type of renewable natural fuel to be used, waste stream(s) to be collected (refuse, recycling, organics), cost, and lease or ownership arrangements. New vehicles are required for residential and MFD, commercial, and City collection services.
- This requirement is primarily to ensure that comparable rate proposals are submitted. The City reserves the right to allow the contractor to provide used collection vehicles.
- New or used vehicles may be used for support vehicles.

- Manufacturer's specifications of containers to be utilized. New carts shall be provided for residential and multi-family dwellings that use carts services and new or used containers (i.e. bins and drop boxes) may be provided for customers that are serviced with bins (i.e. MFD/Commercial/City customers).

- Container requirements are described in draft Agreement Section 7.10. Proposer shall supply complete technical data and manufacturing specifications on the specific cart, bins and Drop Boxes being used.

3.2 Customer Service Center

Proposer shall describe the management systems and customer service systems its company uses to manage inquiries and complaints received from residential and commercial customers. The description of the management systems and customer service systems may include:

- Description of system capability and/or procedures to ensure timely accessibility of information by jurisdictions served.
- Description of procedures used to satisfactorily respond to, record, and report common customer complaints such as: missed pick-ups; spills and litter resulting from collection; collection schedule changes; broken or missing containers; improperly prepared setouts; noise complaints; traffic and sidewalk obstruction during collection; and safety around collection vehicles during operations.
- Description as to whether individual call centers are established for each of the proposer's service areas or if customer calls are handled by a centralized call center, and location of the proposed call center.
- Description of how the customer service information interfaces with route data and billing data.
- Description of how the company measures customer service about the call center's responsiveness and accuracy of responses, as well as the quality of collection service. Identify specific performance metrics or targets your company tracks.
- Identify the website that its customers use to obtain customer rates and service information, diversion services and requirements, and to submit inquiries or complaints. Provide website address.

3.3 Implementation Plan

Provide an implementation schedule that demonstrates ability to implement the services in accordance with the service start date, including meeting equipment, personnel, administration, maintenance, and public education requirements.

3.4 AB 341, AB 1826, AND SB 1383 IMPLEMENTATION PLAN

Proposer shall provide an AB 341, AB 1826, and SB 1383 implementation plan detailing planned tasks, procedures, and schedule to ensure the City's compliance with AB 341, AB 1826, and SB 1383.

The plan should address the following requirements.

A description of proposer's public education and outreach plans that comply with all CalRecycle requirements for Outreach and Education, Monitoring and Reporting, and Performance Standards and other applicable regulations.

The plan shall include, at a minimum, the following components:

- Timeline
- Description of all proposed activities
- Description of all proposed printed materials and electronic content
- Examples of materials and content the proposer has developed for other jurisdictions (proposer may include materials as an attachment or provide images of the material within the proposal text).
- Description of labels to be attached to containers that clearly indicate the accepted and prohibitive materials to be placed in containers. Labels shall comply with CalRecycle guidelines for labeling/signage.
- Proposed continued outreach efforts to increase participation in recycling and organics programs, including use of direct mail, community workshops, development of how-to videos, dedicated website, community events, school outreach, etc.
- Proposed contamination monitoring procedures including performing route reviews and or waste evaluations.

3.5 FOOD RESCUE AND DONATION PROGRAM

Describe proposed efforts to assist the City and its customers with a food rescue and donation program to comply with SB 1383 which establishes a target that not less than 20% of currently disposed edible food is recovered for human consumption by 2025.

3.6 ORGANICS RECYCLING PROGRAM

Describe proposed organics recycling program including type of containers proposed. Proposers should include detailed information on customer in-house preparation of material prior to disposal (e.g., bag or no bag requirements); include a comprehensive list of organic materials that are acceptable in each of the programs listed above, and a comprehensive list of organic materials that are not accepted in the program. Also, proposers are requested to submit samples of outreach materials already distributed to customers in a city with a similar program in place if proposer has implemented such program. Please describe your intended approach and activities related to SB 1383 organic waste collection and recycling services, education and outreach, capacity planning, procurement of organic waste products, reporting, contamination monitoring, and other compliance activities.

3.7 Recyclable Materials

Specify all materials that can be recycled through the residential, multi-family and commercial recycling programs.

3.8 Procurement of Recovered Organic Waste Products

Describe proposed assistance to the City to ensure that sufficient California recovered organic waste products are procured on behalf of the City to meet the requirements of SB 1383. Identify types and quantities of recovered organic waste products which shall be procured.

3.9 Proposed Operating Facilities

Provide information about proposed operating facilities, including:

- Yard address for equipment and personnel staging and arrangements for maintenance of equipment.
- Office address for customer service, public relations, billing, and franchise administration; and,
- Other operating facilities to be used in providing service under this agreement.

3.10 Proposed Disposal, Transfer, and Processing Facilities

Proposers must identify all proposed disposal, transfer, and processing facilities for transfer/disposal of refuse, processing of commingled recyclables, processing of organics, processing of mixed waste, and processing of construction and demolition debris.

For each facility, please identify the following:

- The name, address, and SWIS # of the facility.
- The material to be processed (organic waste, commingled recyclables, mixed waste, or construction and demolition debris).
- The tipping fee per ton.
- A statement regarding any relationship between the proposer and the facility owner/operator (if any).
- Indicate any proposed solid waste facility capacity guarantees.
- Current and estimated diversion rate for processing of each waste stream (e.g., residential recyclables, residential organics, source-separated commercial recyclables, mixed commercial waste, commercial organics, C&D.)

4. DISPLACED EMPLOYEE RETENTION

In accordance with Labor Code Sections 1070, 1072, 1075, and 1076, proposer will offer employment to qualified existing employees of the current contractor that may be displaced if the current contractor is not retained. Please describe your procedures for offering such employment and any limitations. Please describe whether your company operates under a labor collective bargaining agreement.

5. EXCEPTIONS TO THE AGREEMENT

The City expects that the successful proposer(s) will execute an Agreement with the City in substantially the same form as the Draft Agreement (as it may be changed via Addendum during the RFP process).

Proposers are required to carefully review the Agreement before submitting proposals and are encouraged to have it reviewed by legal counsel. Proposers are also encouraged to submit written questions about any provision in the Agreement not fully understood, which would appear to be inconsistent with other provisions or otherwise incorrect, or which may deter them from submitting a Proposal or significantly increase the rate of their Proposal.

To demonstrate agreement with to all terms and conditions of the draft Agreement as written, proposers are required to sign and include in their proposal the signature page of the draft Agreement. Any exceptions must include the nature of the proposed exception, the draft Agreement Section, proposed substitute language, and the change in costs that would take place if the proposed language were to be accepted by the City. The proposal is not considered complete without this signed page.

The number, nature and materiality of objectionable provisions and suggested changes to the Agreement will be considered in evaluating proposals.

6. RATE PROPOSALS

6.1 Primary Rate Proposal Forms

Proposers may submit up to three complete sets of rate proposal forms: one for the residential sector, one for the commercial sector, and one for a citywide franchise. These proposals shall be based solely on the requirements requested in this RFP and further detailed in the draft Agreement without considering any exceptions or alternatives.

6.2 Alternative Rate Proposals

Provided that the proposer has submitted a primary rate proposal that meets all of the minimum requirements of this RFP, the proposer may submit one or more alternative rate proposals. For example, proposer may submit an alternative rate proposal that retains existing used equipment.

7. PROPOSER CODE OF CONDUCT AND NON-COLLUSION AFFIDAVIT

Each proposer shall include a copy of the Proposer Code of Conduct and Non-Collusion Affidavit (Attachment 2) that was submitted at the pre-proposal conference.

SECTION 6 - PROPOSAL EVALUATION PROCESS

This section describes the proposed process for evaluation of proposals and selection of Contractor(s). Note that the City reserves the right to modify this process in any way and at any time during the RFP and contractor selection process.

EVALUATION AND SELECTION PROCESS

An evaluation report, including a comparative description of the proposals, evaluation results, and a recommendation, will be prepared and presented to City Council. The City Council will review the recommendation and may approve that recommendation or form an alternative recommendation.

During the evaluation process, proposers are required to allow site visits, and give presentations to the City and may be required to attend interviews.

PROPOSAL EVALUATION CRITERIA

The proposal will be objectively evaluated based on criteria that may include, but is not limited to, the following factors.

PROPOSER'S QUALIFICATIONS

- Collection Experience. Demonstrated experience of company providing the requested or similar services to other jurisdictions. If the proposer is a joint venture, demonstrated experience of parties working together.
- Jurisdiction Satisfaction. Satisfaction of proposer references with services received, including but not limited to, implementation, customer services, reporting, assistance developing diversion programs, and working cooperatively with City staff.
- Management and Customer Service Systems. Demonstrated capabilities of the company's existing management and customer service systems' abilities to track and monitor contract compliance, quality of collection service, and call center responsiveness.
- Key Personnel Qualifications. Extent and relevance of the qualifications and experience of key personnel proposed for the transition team and on-going management of the City's collection operations.

TECHNICAL QUALIFICATIONS

- Implementation Plan. Reasonableness of implementation schedule and ability to meet deadlines (e.g., reasonableness of equipment procurement schedules, implementation staffing levels, public education program, itemized steps for initiation, roll out and maintenance of diversion programs in all service sectors throughout the City, container/cart distribution, new corporation or maintenance yard development, contingency plans, etc.
    - Customer Service. Customer service approach, staffing levels, and City-specific training programs.
    - Billing System. Billing approach and procedures for handling customer billing activities.
    - Collection Approach. Reasonableness and reliability of the proposed collection methods (e.g., technology, equipment, and containers); reasonableness of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, and other operating statistics), if applicable; and reasonableness of assumptions.
- AB 341, AB 1826, and SB 1383 Implementation Plan. Completeness of proposed services, public education program, roll out and maintenance of diversion programs in all service sectors throughout the City, container/cart distribution.
- Diversion Outreach and Education Programs. The nature, reliability, and innovation of proposed diversion programs and potential of such programs to divert solid waste from landfill disposal and meet diversion requirements. Compatibility of the proposed education program, staffing level, and program ideas with the needs of the City; and, the quality of public education samples relative to other proposers. Likelihood of diversion programs to meet State-mandated outreach

and education, diversion monitoring and reporting and performance measurement requirements.

- Proposed Operations Facilities. Plan for providing the facilities needed for equipment storage and parking, maintenance, and administration. Level of assurance provided, if any, about site acquisition and timely development of necessary facilities if not proposing an existing, operational and permitted facility.
- Proposed Disposal, Transfer, and Processing Facilities Reasonableness and reliability of the proposed facilities for disposal, transfer, and processing of solid waste, recyclable materials, and organic materials, including documentation of existing facility permitting/approvals and/or guarantee of sufficient capacity for tonnage from the City service area, and the reasonableness of proposed material transport plans.

Number and Materiality of Exceptions to Agreement

The number, nature, and materiality of suggested changes to the Agreement will be considered in evaluating proposals.

Financial

- Financial Stability. Financial stability of proposer based on its financial ratios and other financial considerations.
- Insurance. Demonstrated ability of proposer to obtain adequate insurance.

Rate Proposal

- Reasonableness of Rate Proposals. The logical relationship between proposed rates and operational assumptions.
- Competitiveness of Rate Proposals. The competitiveness of the overall revenue requirement is evaluated relative to other proposals.

Alternative Proposals

The City is not obligated to evaluate or select alternative proposals. Alternative proposals will be considered by the City if the City concludes, in its sole discretion, that the alternative proposals warrant evaluation and analysis. Such evaluation will consider the reasonableness and reliability of proposed collection methods, technology, equipment, and containers; and the reasonableness of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, program diversion levels, and other operating statistics considered as pertinent by the City and its consultants).

At the City's option, the reasonableness and competitiveness of one or more alternative proposal(s) may be evaluated.

AWARD

Proposals must be complete and must conform to the requirements of this RFP as to form and content. The franchise or franchises will be awarded for the proposal or proposals that offer the greatest value to the City. The City, however, reserves the right to reject any or all proposals, to accept or reject any one or more items of a proposal, or to waive any minor irregularities or informalities in the proposal. City Council will select the proposal or proposals that it determines to best serve the City and is not bound to follow the recommendation of City staff or City staff's proposal evaluations in making its selection. It is anticipated that all services described in this RFP will be contracted for. However, the City reserves the right to change such service descriptions prior to award.

LIST OF ATTACHMENTS

PROPOSER'S CODE OF CONDUCT

The City of Diamond Bar is planning to request and receive proposals for the collection and processing of refuse, recyclable materials and organics within the jurisdiction of the City.

The members of the City Council are obligated to comply with the Political Reform Act of 1974 ("PRA") and the Brown Act (Government Code §56950 et seq.).

The City has a desire to maintain a process free from any undue influence and the appearance of impropriety. The City prepared this "Proposer's Code of Conduct".

A potential proposer is defined as any individual or entity involved in making a proposal to the City under the Contractor Selection Process ("Potential Proposer").

Each Potential Proposer is individually responsible for ensuring compliance with the following Code of Conduct. The Potential Proposer's responsibility to comply with this Code of Conduct shall extend to the Potential Proposer's employees, agents, consultants, lobbyists, or other parties or individuals engaged for the purposes of developing or supporting the Potential Proposer's proposal.

The Proposer Code of Conduct is presented below:

1. Ex Parte Prohibited

From **January 16, 2023,** and prior to the City of Diamond Bar City Council selection of Contractor or **[Month, Day, 2023],** whichever comes later, Potential Proposers are prohibited from having any verbal or written communications (ex parte contacts) with any City Council Members related to any matter related to the RFP process or Contractor Selection process, except in the course of a legally noticed meeting of the City Council, or any subcommittee of the Council, or in conjunction with an ex parte contact arranged by and involving the City staff and/or consultants.

If any such unauthorized ex parte contact occurs, the Council member shall disclose its occurrence at the next meeting of the City Council that next follows the said ex parte contact.

2. Gift and Compensation Prohibited

From **January 16, 2023**, to prior to City Council selection of Contractor or **[Month, Day, 2023],** whichever comes later, Potential Proposers are prohibited from giving any gift of any monetary value, or compensation of any kind (as defined under the California Political Reform Act) to a City Council Member or any City staff member or consultant.

Please be aware that any Council Member who accepts such a gift or compensation may be subject to censure by the City Council. Any City staff member who violates this policy may be subject to discipline including termination of services, and any consultant who violates this policy may be subject to termination of services. Any Potential Proposer who violates this policy as to gifts or compensation may be subject to disqualification by the City Council from the Contractor Selection Process.

3. Collusive Activities Prohibited

From May 2023, to prior to City Council selection of Contractor or November 13, 2023**,** whichever comes later, collusive activities among Potential Proposers are expressly forbidden and will likely result in immediate disqualification from the Contractor Selection Process. If two or more Potential Proposers are developing a joint proposal, the Potential Proposers must notify Sloan Vazquez McAfee (see contact information provided below) in writing no later than thirty (30) days prior to the deadline for submission of proposals. This notification will be kept confidential until after submission of all technical and cost proposals.

Executed under penalty of perjury on this ____________ day of _______, 2023 at _____________

SIGNED BY: _______________________________________
TITLE: _____________________________________

Subscribed and sworn to before me this ______________ day of _______, 2015 at _____________

Notary Public
My Commission expires:

PROPOSER'S NON-COLLUSION AFFIVDAVIT

The following affidavit is submitted by proposer as a part of this proposal:

The undersigned deponent, of lawful age, being duly sworn, upon his oath deposes and says: that he has lawful authority to execute the within and foregoing proposal; that he has executed the same by subscribing his name hereto under oath for and on behalf of said proposer; that proposer has not directly or indirectly entered into any agreement, express or implied, with any proposer or proposers, having for its object the controlling of the price or amount of such proposal or proposals, the limiting of the proposals or proposers, the parceling or framing out to any proposer or proposers or other persons of any part of the agreement or any part of the subject matter of the proposal or proposals or of the profits thereof, and that he has not and will not divulge the sealed proposal to any person whomsoever, except those having a partnership or other financial interest with him in said proposal or proposals, until after the said sealed proposal or proposals are opened.

Deponent further states that the proposer has not been a party to any collusion among proposers in restraint of freedom of competition; by agreement to make a proposal at a fixed price or to refrain from submitting a proposal; or with any state official or employee as to quantity, quality, or price in the prospective agreement; or in any discussions between proposers and any City of Diamond Bar official concerning exchange of money or other things of value for special consideration in the letting of an agreement; that the proposer/Company has not paid, given or donated or agreed to pay, give or donate to any official, officer or employee of the City of Diamond Bar directly or indirectly, in the procuring of the award of agreement pursuant to this proposal.

Executed under penalty of perjury on this _____ day of _____________, 2015 at _______________.

SIGNED BY: _______________________________________
TITLE: _____________________________________

Subscribed and sworn to before me this _____________ day of ______________________________ , 2023 at ___________________.

Notary Public
My Commission expires:

DESCRIPTION OF SERVICE AREA

The City of Diamond Bar encompasses 14.88 square miles and is surrounded by the City of Walnut to the northwest, Pomona to the northeast, Chino Hills to the southeast, Brea to the south, and Rowland Heights to the west.

According to the California Department of Finance, population and housing estimates for the City as of January 1, 2022 are as follows:

Population	54,204	Single Family Detached	13,587
Total Dwelling Units		Single Family Attached	1,767
Percent Vacant	3.4%	Multi-Family 2 to 4 Units	1,071
Persons per Household		Multi-Family 5 Plus Units	2,048
	2.97	Mobile Homes	368

This census information is meant to provide an overview of the City.

RATE REVENUE

Residential

QTR	Commercial	Roll-Off	Residential	Gross Receipts
1Q22	92,755	28,096	1,327,052	$1,447,903
2Q22	78,945	51,283	1,308,675	$1,438,902
3Q22	111,618	37,670	1,507,617	$1,656,905
4Q22	89,065	41,457	1,457,052	$1,587,575
Total	$372,383	$158,506	$5,600,396	$6,131,285

QTR	Commercial	Roll-Off	Residential	Gross Receipts
1Q21	61,292	51,090	1,324,109	$1,436,491
2Q21	108,138	43,333	1,323,789	$1,475,259
3Q21	99,530	38,778	1,323,918	$1,462,226
4Q21	107,788	49,403	1,320,894	$1,478,085
Total	$376,748	$182,603	$5,292,709	$5,852,061

Commercial

QTR	Commercial	Roll-Off	Residential	Gross Receipts
1Q22	591,671	69,809		$661,480
2Q22	520,682	63,835		$584,516
3Q22	544,686	67,733		$612,419
4Q22	560,720	52,467		$613,186
Total	$2,217,758	$253,843		$2,471,601

QTR	Commercial	Roll-Off	Residential	Gross Receipts
1Q21	504,809	44,302		$549,110
2Q21	490,241	46,907		$537,148
3Q21	514,556	51,986		$566,542
4Q21	491,769	77,287		$569,056
Total	$2,001,375	$220,481		$2,221,856

TONNAGE

Residential

QTR	Refuse	Recycled	Green Waste	Total
1Q22	3,601.9	943.7	1,576.5	**6,122.1**
2Q22	3,764.0	909.3	1,993.6	**6,666.9**
3Q22	3,713.3	902.8	1,848.8	**6,464.9**
4Q22	3,564.2	884.3	1,621.9	**6,070.5**
Total	**14,643.4**	**3,640.1**	**7,040.9**	**25,324.4**

	Refuse	Recycled	Green Waste	Total
1Q21	3,768.9	943.4	1,668.4	**6,380.7**
2Q21	3,936.6	963.0	2,084.4	**6,984.0**
3Q21	3,960.8	870.9	1,865.5	**6,697.1**
4Q21	3,807.3	992.0	1,620.1	**6,419.5**
Total	**15,473.5**	**3,769.2**	**7,238.5**	**26,481.3**

Commercial

	Collected	Landfilled	Diverted	% Diverted
1Q22	2,792.3	1,889.9	902.4	**0.3**
2Q22	2,830.9	1,928.6	902.3	**0.3**
3Q22	3,023.1	1,975.3	1,047.8	**0.3**
4Q22	2,724.1	1,868.3	855.8	**0.3**
Total	11,370.5	**7,662.1**	**3,708.4**	**0.3**

	Collected	Landfilled	Diverted	% Diverted
1Q21	3,410.4	2,637.6	772.8	**0.2**
2Q21	3,843.4	2,924.4	919.0	**0.2**
3Q21	4,077.5	3,099.7	977.9	**0.2**
4Q21	4,485.0	3,377.6	1,107.4	**0.2**
Total	15,816.3	**12,039.3**	**3,777.0**	**0.2**

	C&D			RO
QTR	Refuse	Recycled	Total	Refuse
1Q22	45.5	71.1	116.6	**10.0**
2Q22	119.2	221.5	340.8	**15.2**
3Q22	98.9	103.4	202.3	**52.4**
4Q22	171.8	120.1	291.9	**113.2**
Total	**435.4**	**516.1**	**951.5**	**190.9**

QTR	Refuse	Recycled	Total	Refuse
1Q21	105.4	211.0	316.4	**16.6**
2Q21	70.5	136.7	207.2	**5.4**
3Q21	94.8	193.2	288.0	**8.7**
4Q21	69.8	139.4	209.2	**0.0**
Total	**340.4**	**680.3**	**1,020.7**	**30.7**

C&D		RO
QTR		
1Q22		
2Q22	C&D Not reported separately	
3Q22		
4Q22		
Total		

CONTAINERS

COMMERCIAL

MSW

	Size	1	2	3	4	5	6	On Call	Total
1st Bin	70 Gals	107							107
Addl									0
1st Bin	98 Gals	3							3
Addl		1							1
1st Bin	1.5 CY	8							8
Addl									0
1st Bin	2 CY	14	4	2	1				21
Addl									0
1st Bin	2CY Comp			1					1
Addl									0
1st Bin	3 CY	68	54	55	14	10	8	1	210
Addl		41	83	91	24	8	17	2	266
1st Bin	4 CY	5	9	11	2	2	2		31
Addl			5	2		1	2		10
1st Bin	6 CY	3	1	5					9
Addl				1					1
	Total	250	156	168	41	21	29	3	668
	Scout	8	18	2					28
	Lock Lids	33	20	14	4	1		3	75

CO-MINGLED RECYCLING

Size	1	2	3	4	5	6	On Call	Total
70 Gals	107						2	109
98 Gals								0
								0
1.5 CY	2							2
								0
2 CY	1							1
2CY Comp								0
								0
3 CY	8	9	3					20
		13						13
4 CY	1	1						2
								0
6 CY								0
								0
Total	119	23	3	0	0	0	2	147
Scout								0
Lock Lids	9	8	2					19

ORGANICS

	Size	1	2	3	4	5	6	On Call	Total
1st Bin	2	6	1	1	1	2			11
Addl		2	0	1					3
1st Bin	70	138	5	3					146
Addl		89	3	1					93
1st Bin	98	9	3	1					13
Addl		1	1	1					3
	Total	245	13	8	1	2	0	0	269
	Valet	6							6
	Lock Lids	1	2						3

GREEN WASTE

Size	1	2	3	4	5	6	On Call	Total
2								0
2								0
70	1							1
70	1							1
98								0
98								0
Total	2	0	0	0	0	0	0	2

VEHICLES

	Residential						Commercial				
	MON	TUE	WED	THU	FRI		MON	TUE	WED	THU	FRI
Refuse	4.0	3.0	2.5	3.0	2.5		2.0	2.0	2.0	2.0	2.0
Recycle	3.5	5.0	2.3	2.0	1.5		0.5	0.5	0.5	0.5	0.5
Green	2.5	3.0	2.3	3.0	2.5		0.5	0.5	0.5	0.5	0.5
Bulky					0.5						
Total	**10.0**	**11.0**	**7.0**	**8.0**	**7.0**		**3.0**	**3.0**	**3.0**	**3.0**	**3.0**

	Residential						Commercial				
	MON	TUE	WED	THU	FRI		MON	TUE	WED	THU	FRI
Refuse	4.5	3.5	2.5	3.5	2.5		2.0	2.0	2.0	2.0	2.0
Recycle	3.5	5.0	2.5	3.0	2.5		0.5	0.5	0.5	0.5	0.5
Green	2.5	3.0	2.0	2.0	1.5		0.5	0.5	0.5	0.5	0.5
Bulky	0.5	0.5		0.5	0.5						
Total	**11.0**	**12.0**	**7.0**	**9.0**	**7.0**		**3.0**	**3.0**	**3.0**	**3.0**	**3.0**

ATTACHMENT 2

EXHIBIT 2

MAXIMUM RATES

Following are the rates effective July 1, 2022:

Residential Service	Rate
Cart Service – one each refuse, recycling, and organics waste cart	
Standard Rates	
- 35-gallon refuse cart	$26.04
- 64-gallon refuse cart	$32.09
- 96-gallon refuse cart	$38.50
Senior Reduced Rate	
- 35-gallon refuse cart	$22.41
- 64-gallon refuse cart	$27.67
- 96-gallon refuse cart	$33.00
Additional Carts	
35-gallon refuse cart	$8.14
64-gallon refuse cart	$12.20
96-gallon refuse cart	$16.31
Additional Recycling Cart (beyond 2 carts)	$2.28
Additional Green Waste Cart (beyond 2 cart)	$5.76
Additional Cart Rates and Services	
Backyard Service Surcharge	$27.00/hr.
Yard Waste Reduction Discount	$3.92
Additional Special Overage Pickup >2 per year	$10.99
Additional Bulky Item Pickup > free allowed	$41.21
Cart Exchange (after free exchange period)	$20.62
Emergency Service rates - 1 crew & 1 Truck	$116.80/hr.
Temporary Services**	
Temporary bin - 3 yard (7 day rental)	$156.51/pull
Temporary bin - 6 yard (7 day rental)	$193.32/pull
Redelivery/Return Trip Fee	$121.94
Temporary bin - 40 yard (7 day rental)	$693.82
Temporary bin – Low boy (7 day rental)	$735.95
Rental - per day after 7 days	$31.00/day

** Rates are set equal to rates in City's Bin and Roll-Off Service Customer Solid Waste Management Services agreement with Valley Vista Services.

ATTACHMENT 2

EXHIBIT 2A

MAXIMUM RATES

Rates for Single Family Residences that have an Organic Program. Following are the rates effective July 1, 2022:

Residential Service	**Rate**
Cart Service – one each refuse, recycling, and organics waste cart	
Standard Rates	
- 35-gallon refuse cart	$27.94
- 64-gallon refuse cart	$34.43
- 96-gallon refuse cart	$41.31
Senior Reduced Rate	
- 35-gallon refuse cart	$24.05
- 64-gallon refuse cart	$29.69
- 96-gallon refuse cart	$35.42

****This rate sheet rate should not be used for multi-family homes without organic services.*

COMMERCIAL RATES (1)

Following are the rates for July 1, 2022 through June 30, 2023:

Monthly Collection Rates							
Container Size	Pickups per week						
	1	2	3	4	5	6	Extra Empty
1.5 Cubic Yard	$109.74	$180.35					
extra bin (2)	$98.77	$162.31					
2 Cubic Yard	$125.68	$217.90	$297.89	$385.50	$477.75	$557.74	$47.98
extra bin (2)	$113.10	$196.10	$268.11	$346.96	$429.98	$501.96	
3 Cubic Yard	$155.60	$257.97	$362.21	$470.26	$576.41	$703.49	$55.56
extra bin (2)	$140.03	$232.14	$326.00	$423.23	$518.78	$633.15	
4 Cubic Yard	$197.00	$317.05	$439.84	$626.43	$749.22	$910.07	$63.17
extra bin (2)	$177.28	$285.34	$395.83	$563.78	$674.31	$819.08	
6 Cubic Yard	$235.15	$388.45	$543.72	$790.24	$943.57	$1,139.84	$73.37
extra bin (2)	$211.63	$349.61	$489.34	$711.23	$849.21	$1,028.87	
Organics Cart	$46.81	$93.61	$140.42	$187.22	$234.03	$280.84	$0.00
Recycling – 96 gal.	$20.54						
Recycling – 1.5 yd.	$46.69	$74.36					
Recycling – 2 yd.	$53.60	$89.89	$119.28	$153.90	$190.23	$221.31	
Recycling – 3 yd.	$77.82	$119.96	$167.43	$216.82	$265.28	$324.29	
Scout Service (3)	$78.66	$187.41	$281.12	$374.83	$468.53	$562.23	

(1) Including all fees retained by, or paid to, City.

(2) Customers with more than one bin are charged a lower rate for additional bins.

(3) Scout service rates may be charged in addition to collection rates, in accordance with Section 4.1.12 of the collection agreement, on a per container basis.

COMMERCIAL RATES (1)

Following are the rates for July 1, 2022 through June 30, 2023:

Bin Charges	Rate
Temporary Bin – 3 cubic yards	$156.51/pull
Temporary Bin – 6 cubic yards	$193.32/pull
Bin Cleaning (over one per year)	$63.02
Locking Bin, per bin per month	$13.66
Redelivery/Return Trip Fee	$121.94

Roll-off Box Charges	Rate
Standard Roll-Off Box - Rate per pull (including container rental)	
12 to 16 yards	$260.92
25 to 30 yards	$250.81
40 to 45 yards	$242.80
Compactor Roll-Off Box – Rate per pull (excluding compactor rental)	
30 yards	$387.75
40 yards	$433.06
Container Rental Fee – for use in Excess of 7 days without being serviced	$31.00/day
Processing Per Ton	$82.00
Temporary Roll-Off Box, 40 yard – rate includes container rental, pull and disposal up to 6 tons	$693.82
Temporary Roll-Off Box, Low Boy – rate includes container rental, pull, and disposal up to 6 tons	$735.95
Roll-Off Box Cleaning (above one per year)	$140.83
Redelivery/Return Trip Fee/Dry runs – roll-off box	$182.36

Additional Service Charges	Rate Per Service
Multi-Family Bulky Item Pickup – each pickup above four per year of up to four items	$37.93 per item
Emergency Service Rates – one crew and one collection truck	$107.43/hour

(1) Including all fees retained by, or paid to, City.

LIST OF CITY FACILITIES

Site	Address	Container Quantity	Container Size	Collection Frequency	Collection Days	Material	Descriptiion
Diamond Bar Center	1600 Grand Ave	3	3 YD	3	Mon, Thu, Sat	MSW	3 Yd Front Load Weekend Service
Diamond Bar Center	1600 Grand Ave	1	3 YD	1	Tue	CO-MINGLE	3 Yd Front Load Recycling Service w/ Locking Lid-Co-mingled
Diamond Bar Center	1600 Grand Ave	1	70 G	1	Fri	ORGANICS	70 Gallon Service - Commercial Organic
City Of Diamond Bar	21810 Copley Dr	1	3 YD	3	Mon, Tue, Fri	CO-MINGLE	3 Yd Front Loader Recycling Service-Co-mingled
City Of Diamond Bar	21810 Copley Dr	1	3 YD	3	Mon, Wed, Fri	MSW	3 Yd Front Load Service
City Of Diamond Bar	21810 Copley Dr	1	98 G	2	Mon, Fri	ORGANICS	98 Gallon Service - Commercial Organic
City Of Diamond Bar	21810 Copley Dr	1		N/A			Storage Box Rental Rate/Month
City Of Diamond Bar	21810 Copley Dr	1		O/C			Storage Box
Maple Hill Park	1355 Maple Hill Rd	2	3 YD	1	Thu	MSW	3 Yd Front Load Service
Heritage Park	2900 S Brea Canyon Rd	2	3 YD	2	Tue, Sat	MSW	3 Yd Front Load Weekend Service
Heritage Park	2900 S Brea Canyon Rd	1	98 G	1	Fri	ORGANICS	98 Gallon Service - Commercial Organic
Heritage Park	2900 S Brea Canyon Rd	2	98 G	1	Thu	MSW	98 Gallon Service - Residential
Pantera Park(bin)	738 Pantera Dr	1	3 YD	1	Wed	MSW	3 Yd Front Load Service
Pantera Park(bin)	738 Pantera Dr	1	98 G	1	Thu	MSW	98 Gallon Service - Residential
Peterson Park(bin)	24142 Sylvan Glen Rd	1	3 YD	2	Tue, Sat	MSW	3 Yd Front Load Weekend Service
Peterson Park(bin)	24142 Sylvan Glen Rd	1	98 G	1	Thu	MSW	98 Gallon Service - Residential
Ronald Reagan Park	2201 Peaceful Hills Rd	1	3 YD	2	Tue, Sat	MSW	3 Yd Front Load Weekend Service
Sycamore Park	22930 Golden Springs Dr	3	3 YD	O/C		MSW	3 Yd Front Load Service w/ Locking Lid
Sycamore Park	22930 Golden Springs Dr	1	6 YD	3	Tue, Thu, Sat	MSW	6 Yd Front Load Weekend Service
Sycamore Park	22930 Golden Springs Dr	1	40 Y	2	Tue, Thu	MSW	40 Yd Roll Off-Permanent Trash
Sycamore Park	22930 Golden Springs Dr	1	70 G	1	Thu	ORGANICS	70 Gallon Service - Commercial Organic
Lorbeer Middle School(BIN)	501 S Diamond Bar Bl	1	3 YD	2	Mon, Thu	MSW	3 Yd Front Load Service

RFP ATTACHMENT 6

CITY WIDE

SUPPORTING COSTS & ROUTE DETAIL WORKSHEETS

Instructions: Input data requested in FORMS 1.1 through 1.8. Only input into **green colored cells**.

FORM	Content
1.1	Costs Summary
1.2	Not Used
1.3	Direct Labor - (Route related labor)
1.4	Indirect Wages (Vehicle R&M, Container R&M, and Management)
1.5	Equipment R&M
1.6	Allocated Costs (to line of business, e.g. SFD, Commercial, Roll-Off)
1.7	Capital Expenditures (CapEx)
1.8	Disposal & Processing Costs

Form 1.1 Costs Summary

	PROPOSER:	ENTER PROPOSER NAME			
	OPTION:	CITY WIDE			

Instructions:
1. Enter Proposer name above.
2. Enter the assumed profit percentage in row 25, columns B - D and F. References to column letters and row numbers are to those inserted into the worksheet.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E
		SFD	**Commercial**	**Roll-Off & On-Call Services**	**Total Year-One Annual Cost**
1	**Direct Wages & Benefits**	$0	$0	$0	$0
2	**Route Vehicle Depreciation**	$0	$0	$0	$0
	Vehicle Repair & Maintenance				
3	Wages & Benefits	$0	$0	$0	$0
4	Parts & Supplies	$0	$0	$0	$0
5	Fuel	$0	$0	$0	$0
6	Depreciation Other	$0	$0	$0	$0
	Subtotal Vehicle R&M	**$0**	**$0**	**$0**	**$0**
	Container Repair & Maintenance				
7	Wages & Benefits	$0	$0	$0	$0
8	Parts & Supplies	$0	$0	$0	$0
9	Container Depreciation	$0	$0	$0	$0
10	Depreciation Other	$0	$0	$0	$0
	Subtotal Container R&M	**$0**	**$0**	**$0**	**$0**
11	**Other Indirect Costs**	$0	$0	$0	$0
12	**Total Operations Costs**	**$0**	**$0**	**$0**	**$0**
	Management & Admin.				
13	Wages & Benefits	$0	$0	$0	$0
14	Other G&A Costs	$0	$0	$0	$0
15	Depreciation	$0	$0	$0	$0
16	**Subtotal Management & Admin**	**$0**	**$0**	**$0**	**$0**
17	**Disposal & Processing Costs**	$0	$0	$0	$0
	Interest Expense				
18	Route Vehicle Interest	$0	$0	$0	$0
19	Vehicle R&M Interest	$0	$0	$0	$0
20	Container Interest	$0	$0	$0	$0
21	Container R&M Interest	$0	$0	$0	$0
22	Other Interest	$0	$0	$0	$0
	Total Interest Expense	**$0**	**$0**	**$0**	**$0**
23	**TOTAL COSTS BEFORE PROFIT**	**$0**	**$0**	**$0**	**$0**
24	Profit Percent Assumption				0.0%
25	Profit Assumption	$0	$0	$0	$0
26	**Estimated Contractor Compensation**	**$0**	**$0**	**$0**	**$0**

Form 1.3 - Direct Labor

PROPOSER:	**ENTER PROPOSER NAME**
OPTION:	**CITY WIDE**

Instructions: Enter proposed positions in Column A (e.g. MSW Driver, Recycling Driver, etc.) Enter proposed annual regular and overtime hours for SFD, Commercial & Multi-Family, and for Roll-Off & On-Call Services in Columns B and C . Enter Hourly Pay Rate in Column D. Enter Total Benefits & Other Employment Costs in column F to include all employment and fringe benefits costs such as vacation, medical, sick pay, PTO, uniforms, workers' compensation, payroll taxes, etc.

Only populate green colored cells. Avoid overwriting aqua colored cells.

SFD

	A	B	C	D	E	F	G	H	I	J
	Direct Labor [1]	**Annual Hours - Regular**	**Annual Hours - Overtime**	**Hourly Wage Rate**	**Annual Wages**	**Annual Benefits & Other Employment Costs [2]**	**Annual Direct Labor Costs**	**Annual FTEs**	**% Labor Burden**	**% Total Hours**
1	ASL Driver				$0		$0	0.00	0.0%	0.0%
2	Front Load Driver				$0		$0	0.00	0.0%	0.0%
3	Helper				$0		$0	0.00	0.0%	0.0%
4					$0		$0	0.00	0.0%	0.0%
5					$0		$0	0.00	0.0%	0.0%
6					$0		$0	0.00	0.0%	0.0%
7					$0		$0	0.00	0.0%	0.0%
8					$0		$0	0.00	0.0%	0.0%
9					$0		$0	0.00	0.0%	0.0%
10					$0		$0	0.00	0.0%	0.0%
11	**Total Single-Family**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**

Form 1.3 - Direct Labor

COMMERCIAL & MFD

	Direct Labor [1]	Annual Hours - Regular	Annual Hours - Overtime	Hourly Wage Rate	Annual Wages	Annual Benefits & Other Employment Costs [2]	Annual Direct Labor Costs	Annual FTEs	% Labor Burden	% Total Hours
12	ASL Driver				$0		$0	0.00	0.0%	0.0%
13	Front Load Driver				$0		$0	0.00	0.0%	0.0%
14	Scout Driver				$0		$0	0.00	0.0%	0.0%
15	Helper				$0		$0	0.00	0.0%	0.0%
16					$0		$0	0.00	0.0%	0.0%
17					$0		$0	0.00	0.0%	0.0%
18					$0		$0	0.00	0.0%	0.0%
19					$0		$0	0.00	0.0%	0.0%
20					$0		$0	0.00	0.0%	0.0%
21					$0		$0	0.00	0.0%	0.0%
22	**Total Commercial**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**

ROLL-OFF BOX & ON-CALL SERVICES [3]

	Direct Labor [1]	Annual Hours - Regular	Annual Hours - Overtime	Hourly Wage Rate	Annual Wages	Annual Benefits & Other Employment Costs [2]	Annual Direct Labor Costs	Annual FTEs	% Labor Burden	% Total Hours
23	Roll-off driver				$0		$0	0.00	0.0%	0.0%
24	Flat-bed driver				$0		$0	0.00	0.0%	0.0%
25					$0		$0	0.00	0.0%	0.0%
26					$0		$0	0.00	0.0%	0.0%
27					$0		$0	0.00	0.0%	0.0%
28					$0		$0	0.00	0.0%	0.0%
29	**Total On-Call**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**
30	**GRAND TOTAL DIRECT LABOR**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**

NOTES

Form 1.3 - Direct Labor

1 Enter Employee classifications such as ASL driver, FL Driver, RL Driver, Scout Driver, Roll-Off Driver, Flat-Bed Driver, Relief Driver, Helper, etc.

2 All employment costs other than wages but including workers' compensation, payroll taxes, and benefits such as uniforms, medical, pension, vacation, sick pay, PTO, etc.

3 Only enter wages related to roll-off box service and temporary bins that have not been captured elsewhere.

Form 1.4 - Indirect Wages

PROPOSER: ENTER PROPOSER NAME

OPTION: CITY WIDE

Instructions: Enter proposed positions in Column A (e.g. Mechanic, etc.) Enter proposed annual regular and overtime hours in Columns B and C . Enter Hourly Pay Rate in Column D. Enter Total Benefits & Other Employment Costs in column F to include all employment and fringe benefits costs such as vacation, medical, sick pay, PTO, uniforms, workers' compensation, payroll taxes, etc. Enter percent allocation to SFD, Commercial and Roll-Off in Rows 10 through 11, Column B.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E	F	G	H	I	J
	VEHICLE REPAIR & MAINTENANCE									
1	**Indirect Wages** [1]	**Annual Hours - Regular**	**Annual Hours - Overtime**	**Hourly Wage Rate**	**Annual Wages**	**Annual Benefits & Other Employment Costs** [2]	**Annual Direct Labor Costs**	**Annual FTEs**	**% Labor Burden**	**% Total Hours**
2	Mechanic				$0		$0	0.00	0.0%	0.0%
3	Welder				$0		$0	0.00	0.0%	0.0%
4					$0		$0	0.00	0.0%	0.0%
5					$0		$0	0.00	0.0%	0.0%
6					$0		$0	0.00	0.0%	0.0%
7					$0		$0	0.00	0.0%	0.0%
8	**TOTAL VEHICLE R&M**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**
					ALLOCATION TO LINE OF BUSINESS	**% Allocation**	**Total**			
9					SFD		**$0**			
10					Commercial		**$0**			
11					Roll-Off		**$0**			
					Must Equal 100%==>	**0.0%**	**$0**			

Form 1.4 - Indirect Wages

	CONTAINER REPAIR & MAINTENANCE [3]									
12	Indirect Wages [1]	Annual Hours - Regular	Annual Hours - Overtime	Hourly Wage Rate	Annual Wages	Annual Benefits & Other Employment Costs [2]	Annual Direct Labor Costs	Annual FTEs	% Labor Burden	% Total Hours
13	Welder				$0		$0	0.00	0.0%	0.0%
14					$0		$0	0.00	0.0%	0.0%
15					$0		$0	0.00	0.0%	0.0%
16					$0		$0	0.00	0.0%	0.0%
17					$0		$0	0.00	0.0%	0.0%
18	**TOTAL CONTAINER R&M**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**
	ALLOCATION TO LINE OF BUSINESS					**% Allocation**	**Total**			
19	SFD						**$0**			
20	Commercial						**$0**			
21	Roll-Off						**$0**			
	Must Equal 100%==>					**0.0%**	**$0**			

Form 1.4 - Indirect Wages

MANAGEMENT & ADMINISTRATION

	Indirect Wages [1]	Annual Hours - Regular	Annual Hours - Overtime	Hourly Wage Rate	Annual Wages	Annual Benefits & Other Employment Costs [2]	Annual Direct Labor Costs	Annual FTEs	% Labor Burden	% Total Hours
22	Operations Manager				$0		$0	0.00	0.0%	0.0%
23	Route Supervisor				$0		$0	0.00	0.0%	0.0%
24					$0		$0	0.00	0.0%	0.0%
25					$0		$0	0.00	0.0%	0.0%
26					$0		$0	0.00	0.0%	0.0%
27					$0		$0	0.00	0.0%	0.0%
28					$0		$0	0.00	0.0%	0.0%
29					$0		$0	0.00	0.0%	0.0%
30					$0		$0	0.00	0.0%	0.0%
31					$0		$0	0.00	0.0%	0.0%
32					$0		$0	0.00	0.0%	0.0%
33					$0		$0	0.00	0.0%	0.0%
34					$0		$0	0.00	0.0%	0.0%
35					$0		$0	0.00	0.0%	0.0%
36					$0		$0	0.00	0.0%	0.0%
37	**TOTAL MANAGEMENT & ADMIN**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**
					ALLOCATION TO LINE OF BUSINESS	**% Allocation**	**Total**			
38					SFD		**$0**			
39					Commercial		**$0**			
40					Roll-Off		**$0**			
					Must Equal 100%==>	**0.0%**	**$0**			
41	**TOTAL INDIRECT WAGES**	-	-		**$0**	**$0**	**$0**	-	**0.0%**	**0.0%**

NOTES

1. Enter Employee classifications, e.g. . mechanics, welders, supervisors, operations manager, customer service representatives, etc.
2. All employment costs other than wages, workers' compensation and payroll taxes, but including benefits such as; medical, pension, vacation, sick pay, PTO, etc.
3. Include all personnel involved in container management, repair and maintenance including container delivery and pick-up drivers, welders, painters, etc.

Form 1.5 Equipment R&M

PROPOSER:	ENTER PROPOSER NAME	
OPTION:	CITY WIDE	

Instructions: Enter route vehicle repair and maintenance costs. The cost categories in Column A are provided as examples. Each proposer is to enter descriptions consistent with their own cost classification.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E
	Route Vehicle Related Costs	**SFD Vehicles**	**Commercial Vehicles**	**Roll-Off & On Call Services Vehicles**	**Annual Cost**
1	Parts				$0
2	Oil				$0
3	Tires				$0
4	Outside Repairs				$0
5	Taxes and Licenses				$0
6	Other (Enter Here)				$0
7					$0
8					$0
9	**Subtotal Vehicle R&M**	**$0**	**$0**	**$0**	**$0**
10	**Fuel**				**$0**
	Container Repair & Maintenance	**SFD Vehicles**	**Commercial Vehicles**	**Roll-Off & On Call Services Vehicles**	**Annual Cost**
11	Parts & Supplies				$0
12	Other (Enter Here)				$0
12					$0
13					$0
14	**Subtotal Container O&M**	**$0**	**$0**	**$0**	**$0**
15	**Total Container R&M**	**$0**	**$0**	**$0**	**$0**

Form 1.6 Allocated Costs

PROPOSER: ENTER PROPOSER NAME

OPTION: CITY WIDE

<u>Instructions:</u> Enter other indirect costs for **Rows 2 to 10** and rows **12 to 31**, in columns C, D E. The cost categories in Column A are provided as examples. <u>Each proposer is to enter descriptions consistent with their own financial plan</u>.

Please note that Item 3. 'Other Depreciation' is populated from Form 1.7 'Cap-Ex', Column G, Row 62, 71, & 80; and Item 4. 'Interest Expense' is populated from Form 1.7 Cap-Ex, Column I, Row 62, 71, & 80 (all references to rows and columns in form not worksheet).

Beginning with Item 5 and through Item 8, enter percentage allocation in Column B. Totals must equal 100% for each section.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E	F
			Vehicle Repair & Maintenance	**Container Management, Repair & Maintenance**	**Management & Administrative**	**Total**
	1. Other Indirect Costs [1]					
2	(Enter Description)					$0
3	(Enter Description)					$0
4	(Enter Description)					$0
5	(Enter Description)					$0
6	(Enter Description)					$0
7	(Enter Description)					$0
8						$0
9						$0
10						$0
11	**Subtotal Other Indirect Cost**		**$0**	**$0**	**$0**	**$0**
	2. Management & Administrative Costs [2]					
12	(Enter Description)					$0
13	(Enter Description)					$0
14	(Enter Description)					$0
15	(Enter Description)					$0
16	(Enter Description)					$0
17	(Enter Description)					$0
18	(Enter Description)					$0
19	(Enter Description)					$0
20	(Enter Description)					$0
21						$0
22						$0
23						$0
24						$0
25						$0
26						$0
27						$0
28						$0
29						$0
30						$0
31						$0
32	**Subtotal Management & Administrative Cost**		**$0**	**$0**	**$0**	**$0**
33	**3. Other Depreciation (From CapEx YR-1)**		**$0**	**$0**	**$0**	**$0**
34	**4. Other Interest (From CapEx YR-1)**		**$0**	**$0**	**$0**	**$0**
35	**Total Costs to be Allocated**		**$0**	**$0**	**$0**	**$0**

Form 1.6 Allocated Costs

	5. Other Indirect Costs	% Allocation	Vehicle Repair & Maintenance	Container Management, Repair & Maintenance	Management & Administrative	Total
46	SFD		**$0**	**$0**	**$0**	**$0**
47	Commercial & MDF		**$0**	**$0**	**$0**	**$0**
48	Roll-Off Box & On-Call Services		**$0**	**$0**	**$0**	**$0**
49	**Total Costs Allocated Out: Must = 100%>>**	**0.0%**	**$0**	**$0**	**$0**	**$0**
	6. Management & Administrative Costs					
50	SFD		$0	$0	$0	**$0**
51	Commercial & MDF		$0	$0	$0	**$0**
52	Roll-Off Box & On-Call Services		$0	$0	$0	**$0**
53	**Total Costs Allocated Out: Must = 100%>>**	**0.0%**	**$0**	**$0**	**$0**	**$0**
	7. Other Depreciation					
54	SFD		$0	$0	$0	**$0**
55	Commercial & MDF		$0	$0	$0	**$0**
56	Roll-Off Box & On-Call Services		$0	$0	$0	**$0**
57	**Total Costs Allocated Out: Must = 100%>>**	**0.0%**	**$0**	**$0**	**$0**	**$0**
	8. Other Interest					
58	SFD		$0	$0	$0	**$0**
59	Commercial & MDF		$0	$0	$0	**$0**
60	Roll-Off Box & On-Call Services		$0	$0	$0	**$0**
61	**Total Costs Allocated Out: Must = 100%>>**	**0.0%**	**$0**	**$0**	**$0**	**$0**

NOTES

1 Enter "Other Indirect Costs such as Safety &Training, Uniforms, etc.

2 Enter "Other Management and Administrative Costs" such as Rent, Utilities, Telephone, Information Technology, Office Supplies, Bad Debt, Accounting, Legal, Public Outreach, Payments to the City (Other than Franchise Fee), etc.

Form 1.7 CapEx

PROPOSER: ENTER PROPOSER NAME

OPTION: CITY WIDE

Instructions: This worksheet is includes inputs for Vehicles, Containers and Other Capital Costs. Enter other asset description, purchase price, salvage value, expected asset life and interest rate for cost of capital.

Only populate green colored cells. Avoid overwriting aqua colored cells.

ROW	A	B	C	D	E	F	G	H	I
	VEHICLES YEAR 1 CONVENTIONAL								
	1 SFD VEHICLES								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
1				$0			$0		$0
2				$0			$0		$0
3				$0			$0		$0
4				$0			$0		$0
5				$0			$0		$0
6				$0			$0		$0
7				$0			$0		$0
8				$0			$0		$0
9				$0			$0		$0
10				$0			$0		$0
11	**TOTAL SFD VEHICLES**		-	**$0**			**$0**		**$0**
	2 COMMERCIAL VEHICLES								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
12				$0			$0		$0
13				$0			$0		$0
14				$0			$0		$0
15				$0			$0		$0
16				$0			$0		$0
17				$0			$0		$0
18				$0			$0		$0
19				$0			$0		$0
20				$0			$0		$0
21				$0			$0		$0
22	**TOTAL COMMERCIAL & MFD VEHICLES**		-	**$0**			**$0**		**$0**
	3 ROLL-OFF BOX & ON-CALL SERVICES VEHICLES								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
23	Roll-Off Trucks			$0			$0		$0
24				$0			$0		$0
25				$0			$0		$0
26				$0			$0		$0
27				$0			$0		$0
28	**TOTAL ROLL-OFF & ON-CALL VEHICLES**		-	**$0**			**$0**		**$0**
29	**TOTAL VEHICLES**		-	**$0**			**$0**		**$0**

Form 1.7 CapEx

	Description	Price	QTY	Total	Salvage	Life	Depreciation	Interest Rate	1st Year Interest
	CONTAINERS								
	4 SFD CONTAINERS								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
30				$0			$0		$0
31				$0			$0		$0
32				$0			$0		$0
33				$0			$0		$0
34				$0			$0		$0
35				$0			$0		$0
36				$0			$0		$0
37				$0			$0		$0
38	**TOTAL SFD CONTAINERS**		-	**$0**			**$0**		**$0**
	5 COMMERCIAL CONTAINERS								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
39				$0			$0		$0
40				$0			$0		$0
41				$0			$0		$0
42				$0			$0		$0
43				$0			$0		$0
44				$0			$0		$0
45				$0			$0		$0
46				$0			$0		$0
47	**TOTAL COMMERCIAL & MFD CONTAINERS**		-	**$0**			**$0**		**$0**
	6 ROLL-BOX & ON-CALL SERVICES CONTAINERS								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
48				$0			$0		$0
49				$0			$0		$0
50				$0			$0		$0
96				$0			$0		$0
51				$0			$0		$0
52	**TOTAL ROLL-OFF & ON-CALL CONTAINERS**		-	**$0**			**$0**		**$0**
53	**TOTAL CONTAINERS**		-	**$0**			**$0**		**$0**

Form 1.7 CapEx

	OTHER CAPITAL COSTS									
	7 OTHER: VEHICLE REPAIR & MAINTENANCE									
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
63	Shop Truck			$0			$0		$0
64				$0			$0		$0
65				$0			$0		$0
66				$0			$0		$0
67				$0			$0		$0
68				$0			$0		$0
69				$0			$0		$0
70				$0			$0		$0
71	**TOTAL OTHER VEHICLE R&M**		-	**$0**			**$0**		**$0**
	8 OTHER: CONTAINER MANAGEMENT, REPAIR & MAINTENANCE								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
72	Flatbed			$0			$0		$0
73				$0			$0		$0
74				$0			$0		$0
75				$0			$0		$0
76				$0			$0		$0
77				$0			$0		$0
78				$0			$0		$0
79				$0			$0		$0
80	**TOTAL OTHER CONTAINER R&M**		-	**$0**			**$0**		**$0**
	9 OTHER: MANAGEMENT & ADMINISTRATIVE								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
54	Pickups			$0			$0		$0
55	Vehicles			$0			$0		$0
56				$0			$0		$0
57				$0			$0		$0
58				$0			$0		$0
59				$0			$0		$0
60				$0			$0		$0
61				$0			$0		$0
62	**TOTAL OTHER MANAGEMENT ADMIN**		-	**$0**			**$0**		**$0**
81	**TOTAL OTHER MANAGEMENT ADMIN., VEHICLE R&M, CONTAINER R&M**		-	**$0**			**$0**		**$0**
82	**GRAND TOTAL**		-	**$0**			**$0**		**$0**

Form 1.8 Disposal and Processing Costs

PROPOSER:	ENTER PROPOSER NAME
OPTION:	CITY WIDE

Instructions: For each waste stream e.g. landfill disposal, solid waste processing, recyclables processing, Organics, etc., enter the projected tonnage, tipping fee per ton. If transportation from facility to facility is required, enter tons and costs per ton to transport. Waste streams are examples only, enter consistent with your proposed plans.

Only populate green colored cells. Avoid overwriting aqua colored cells.

RESIDENTIAL (SINGLE-FAMILY DWELLINGS)

Row	Facility	Tons	$/Ton	Total Cost
	Solid Waste (Trash)			
1				$0
2				$0
3				$0
4	**Solid Waste Total**	**0.0**	**$ -**	**$0**
	Recycling Processing			
	Facility	**Tons**	**$/Ton**	**Total Cost**
5				$0
6				$0
7				$0
8	**Recycling Processing Total**	**0.0**	**$ -**	**$0**
	Organics Processing			
	Facility	**Tons**	**$/Ton**	**Total Cost**
9				$0
10				$0
11				$0
12	**Organics Processing Total**	**0.0**	**$ -**	**$0**
13	**SFD TOTAL**	**0.0**	**$ -**	**$0**

Form 1.8 Disposal and Processing Costs

	COMMERCIAL			
	Solid Waste (Trash)			
	Facility	**Tons**	**$/Ton**	**Total Cost**
14				$0
15				$0
16				$0
17	**Solid Waste Total**	**0.0**	**$ -**	**$0**
	Recycling Processing			
	Facility	**Tons**	**$/Ton**	**Total Cost**
18				$0
19				$0
20				$0
21	**Recycling Processing Total**	**0.0**	**$ -**	**$0**
	Organics Processing			
	Facility	**Tons**	**$/Ton**	**Total Cost**
22				$0
23				$0
24				$0
25	**Organics Processing Total**	**0.0**	**$ -**	**$0**
26	**COMMERCIAL TOTAL**	**0.0**	**$ -**	**$0**

Form 1.8 Disposal and Processing Costs

	ROLL-OFF BOX & ON-CALL			
	Refuse			
	Facility	**Tons**	**$/Ton**	**Total Cost**
27				$0
28				$0
29				$0
30	**MSW Total**	**0.0**	**$ -**	**$0**
	Recycling Processing			
	Facility	**Tons**	**$/Ton**	**Total Cost**
31				$0
32				$0
33				$0
34	**Recycling Processing Total**	**0.0**	**$ -**	**$0**
	Organics Processing			
	Facility	**Tons**	**$/Ton**	**Total Cost**
35				$0
36				$0
37				$0
38	**Organics Processing Total**	**0.0**	**$ -**	**$0**
39	**ROLL-OFF BOX & ON-CALL TOTAL**	**0.0**	**$ -**	**$0**

RFP ATTACHMENT 6

RATE PROPOSAL FORMS

Instructions: Input data requested in FORMS 2.0 through 2.4. **Only input into green colored cells.**

FORM	Content
2.0	Rate Revenue Summary
2.1	SFD Year-One Proposed Rates
2.2	Commercial/MFD Year-One Proposed Rates
2.3	Roll-Off and On-Call Year-One Proposed Rates (Roll-Off, Temporary Clean-Up Bins, & MFD Bulky Item Collection)
2.4	Other Charges Year-One Proposed Rates

FORM 2.0: RATE REVENUE SUMMARY

		Proposer:	ENTER PROPOSER NAME
		Option:	CITY WIDE

Instructions: Confirm the reasonableness of total estimated first-year rate revenue (row 4, column D) based upon proposed rates and estimated service counts; and, drop box, temporary bins, and bulky items entered in forms 2.1 - 2.4.

The Estimated First-Year Rate Revenue in row 10 and Esimated Contractor Compensation in row 11 should equal - explain any variation.

	A	C	D
Row	**Service Category**		**Proposed Rate Revenue**
	Estimated Rate Revenue		
1	Residential Service Rate Revenue[1]		$5,812,032
2	Commercial Service Rate Revenue[1]		$2,291,706
3	Drop-Off & Other On-Call Rate Revenue[1]		$0
4	**Estimated First-Year Rate Revenue[1]**		**$8,103,738**
	City Fees		
5	Franchise Fee [2]	5.1%	$410,000.00
6	CalRecycle Compliance Fee		$750,000
7	Residential Vehicle Impact Fee		$175,000
8	Residential Street Sweeping Fee		$175,000
9	**Total First-Year City Fees**		**$1,510,000**
10	**Estimated First-Year Rate Revenue Less City Fees**		**$6,593,738**
11	**Estimated Contractor Compensation (From Form 1.1)**		**$0**
12	**Difference Between Rate Revenue and Estimated Contractor Compensation [3]**		**$6,593,738**

NOTES

1 Includes City Fees

2 Franchise fees represent the City's value of franchise. Proposer may agree or offer a different amount.

3 The rate revenue generated by the service levels assumptions and rates proposed in Forms 2.1 through 2.4 should equal the estimated contractor compensation in form 1.1. Proposer shall explain any material difference between proposed first-year rate revenues and its estimated first-year Contractor Compensation.

FORM 2.1: SFD Year-One Proposed Rates

Proposer: ITER PROPOSER NAI

Option: CITY WIDE

Instructions: For Rows 1 through 5, enter proposed rates in Column B. For Rows 7 through 24, enter proposed rates for other services and charges.

Only populate green colored cells. Avoid overwriting aqua colored cells.

Single-Family Dwelling Standard Service:

Standard Service includes three (3) carts; One each for refuse, recycling, and organics. The Monthly Rate is based on the refuse cart size chosen by the customer. Customers may choose 35, 64, or 96-gallons carts for recycling and/or organics. Default sizes for all three waste streams are 64 gallon.

	A	B	C	D	E	F
Row	**Service Description**	**Monthly Rate**	**Service Count**	**Per Unit, Event, Etc.**	**Monthly Revenue**	**Annual Revenue**
1	Single-Family Dwelling - 35 gallon trash cart	$26.04	2,345.0	Unit / Month	$61,064	$732,768
2	Single-Family Dwelling - 64 gallon trash cart	$32.09	5,829.0	Unit / Month	$187,053	$2,244,636
3	Single-Family Dwelling - 96 gallon trash cart	$38.50	3,674.0	Unit / Month	$141,449	$1,697,388
4	Single-Family Dwelling - 35 gallon trash cart - senior discounted	$22.41		Unit / Month	$0	$0
5	Single-Family Dwelling - 64 gallon trash cart - senior discounted [1]	$27.67	3,425.0	Unit / Month	$94,770	$1,137,240
6	Single-Family Dwelling - 96 gallon trash cart - senior discounted	$33.00		Unit / Month	$0	$0
7	**Total Units**		**15,273.0**			
8				**Total Proposed Rate Revenue==>**	**$484,336**	**$5,812,032**

	Service Description	**Monthly Rate**	**Per Unit, Event, Etc.**	
	Single-Family Dwelling Other Services and Charges			
9	Additional charge for 35 gallon trash cart beyond (1) one. Not to exceed 20% of trash cart Row 1 Column B. [2]	$5.21	Unit / Month	
10	Additional charge for 64 gallon trash cart beyond (1) one. Not to exceed 20% of trash cart Row 2 Column B. [2]	$6.42	Unit / Month	
11	Additional charge for 96 gallon trash cart beyond (1) one. Not to exceed 20% of trash cart Row 3 Column B. [2]	$7.70	Unit / Month	
12	Additional charge for recyclables cart beyond (2) two. Not to exceed 7% of 64 gallon trash cart Row 2 Column B. [3]	$2.25	Unit / Month	
13	Additional charge for organics cart beyond (2) two. Not to exceed 20% of 64 gallon trash cart Row 2 Column B. [4]	$6.42	Unit / Month	
14	Additional charge for backyard service. [5]		Unit / Month	
15	Additional charge for refuse cart overage beyond two (2) annual pickup events and one (1) year-end pickup. Not to exceed 20% of trash cart Row 2 Column B. [5]	$6.42	Per Event	
16	Cart Overage Charge for overflowing container upon second and subsequent occurrence in 3-month period. Not to exceed 20% of trash cart Row 2 Column B.	$6.42	Per Event	
17	Bulky Item Pickup - Beyond four (4) pickup collection events per calendar year. [6]		Per Event	
18	Contamination Fee upon third and subsequent occurrence in 12-month period.		Per Event	
20	Damaged Cart Replacement [7]		Per Cart / Event	
21	Cart Exchange after free after free-exchange period.		Per Cart / Event	
25	Late Payment charge for unpaid balance per month after 75 days past due date.	1.50%	% of Monthly Balance	

Row	Service Description	Monthly Rate	Service Count	Per Unit, Event, Etc.	Monthly Revenue	Annual Revenue
26	Service Reinstatement charge after suspension for non-payment	$75.00	Per Event			

NOTES

1 Total SFD cart subscriptions are 2,345 35-g, 9,254 64-g, and 3,674 96-g for a total of 15,273 carts. There are 3,325 senior discounted accounts but there is no breakdown by cart size available. For purposes of this proposal, the 3,325 senior accounts have been deducted from the 64-g carts.

2 Basic service includes one (1) cart for trash. Customers may order additional carts at an additional charge.

3 Basic service includes up to two (2) carts for recyclables. Customers may order additional recyclables carts at an additional charge. This

4 Basic service includes up to two (2) carts for organics. Customers may order additional organics carts at an additional charge.

5 Contractor shall roll out and return carts for any Customer who is legally or medically recognized as disabled at no additional charge.

6 Contractor may charge for additional pickups beyond two annual pickups per calendar year and an end-of-year pickup for trash.

7 Contractor may charge for additional bulky item pickups beyond four annual pickups per calendar year. Customers may put out up to

8 Contractor may charge for replacement of carts if due to provable negligence .

Form 2.2: Commercial/MFD Year-One Proposed Rates

Proposer:	ENTER PROPOSER NAME
Option:	CITY WIDE

Instructions: In columns B - H, enter proposed rates in green colored cells rows 1 - 13 for trash; rows 14 - 17 for trash compactors; rows 19 - 26 for recycling, rows 28 - 31 for organics, and rows 33 - 40 for other charges.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E	F	G	H
		Proposed Monthly Rates for Trash Containers						
Row	**Container Type/Size**	**Frequency of Collections per Week**						**Additional Pick Up**
		1	**2**	**3**	**4**	**5**	**6**	
1	70 Gal Cart	$41.31						
2	98 Gal Cart							
3	1.5 cubic yard - 1st bin	$109.74	$180.35					
4	1.5 cubic yard - each addl	$98.77	$162.31					
5	2 cubic yard - 1st bin	$125.68	$217.90	$297.89	$385.50	$477.75	$557.74	$47.98
6	2 cubic yard - each addl	$113.10	$196.10	$268.11	$346.96	$429.98	$501.96	
7	3 cubic yard - 1st bin	$155.60	$257.97	$362.11	$470.26	$576.41	$703.49	$55.56
8	3 cubic yard - each addl	$140.03	$232.14	$326.00	$423.23	$518.78	$633.15	
9	4 cubic yard - 1st bin	$197.00	$317.05	$439.84	$626.43	$749.22	$910.07	$63.17
10	4 cubic yard - each addl	$177.28	$285.34	$395.83	$563.78	$674.31	$819.08	
11	6 cubic yard - 1st bin	$235.15	$388.45	$543.72	$790.24	$943.57	$1,139.84	$73.37
12	6 cubic yard - each addl	$211.63	$349.61	$489.34	$711.23	$849.21	$1,028.87	
13								

Row	Container Type/Size	Proposed Monthly Rates for Trash Compactors: Frequency of Collections per Week 1	2	3	4	5	6	Additional Pick Up
14	2 cubic yard compactor							
15	3 cubic yard compactor							
16	4 cubic yard compactor							
17	6 cubic yard compactor							
18								

Row	Container Type/Size	Proposed Monthly Rates for Recycling Containers: Frequency of Collections per Week 1	2	3	4	5	6	Additional Pick Up
19	70 Gal Cart	$20.54	$0.00					$0.00
20	98 Gal Cart	$20.54	$0.00					$0.00
21	1.5 cubic yard - 1st bin	$54.87	$90.18	$0.00	$0.00	$0.00	$0.00	$0.00
22	1.5 cubic yard - each addl	$49.39	$81.16	$0.00	$0.00	$0.00	$0.00	$0.00
23	2 cubic yard - 1st bin	$62.84	$108.95	$148.95	$192.75	$238.88	$278.87	$23.99
24	2 cubic yard - each addl	$56.55	$98.05	$134.06	$173.48	$214.99	$250.98	$0.00
25	3 cubic yard - 1st bin	$77.80	$128.99	$181.06	$235.13	$288.21	$351.75	$27.78
26	3 cubic yard - each addl	$70.02	$116.07	$163.00	$211.62	$259.39	$316.58	$0.00
27								

Commercial/MFD Year-One Proposed Rates

Proposer:	ENTER PROPOSER NAME
Option:	CITY WIDE

This subscription level were provided by the existing franchise hauler. Each Proposer must review and proposed projected subscription levels based on their own program/technology expectations.

Subscription Levels for Trash Containers

I	J	K	L	M	N	O	P
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
107.0							107.0
4.0							4.0
8.0							8.0
							0.0
14.0	4.0	1.0	1.0				20.0
							0.0
68.0	54.0	55.0	14.0	10.0	8.0		209.0
41.0	83.0	91.0	24.0	8.0	1.0		248.0
5.0	9.0	11.0	2.0	2.0	2.0		31.0
	5.0	2.0		1.0	2.0		10.0
3.0	1.0	5.0					9.0
		1.0					1.0
1.0	**156.0**	**166.0**	**41.0**	**21.0**	**13.0**	**0.0**	**647.0**

Subscription Levels for Trash Compactors

Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
		1.0					1.0
							0.0
							0.0
							0.0
0.0	**0.0**	**1.0**	**0.0**	**0.0**	**0.0**	**0.0**	**1.0**

Subscription Levels for Recycling Containers

Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
107.0							107.0
							0.0
2.0							2.0
2.0							2.0
1.0							1.0
							0.0
8.0	9.0	3.0					20.0
	13.0						13.0
120.0	**22.0**	**3.0**	**0.0**	**0.0**	**0.0**	**0.0**	**145.0**

Commercial/MFD Year-One Proposed Rates		
Proposer:	ENTER PROPOSER NAME	
Option:	CITY WIDE	

THIS WORKSHEET WILL SELF-POPULATE - NO INPUT NECESSARY!!!!

Q	R	S	T	U	V	W	X
Proposed 1st Year Monthly Rate Revenue for Trash Containers							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
$4,420.17	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$4,420.17
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$877.92	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$877.92
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$1,759.52	$871.60	$297.89	$385.50	$0.00	$0.00	$0.00	$3,314.51
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$10,580.80	$13,930.38	$19,916.05	$6,583.64	$5,764.10	$5,627.92	$0.00	$62,402.89
$5,741.23	$19,267.62	$29,666.00	$10,157.52	$4,150.24	$633.15	$0.00	$69,615.76
$985.00	$2,853.45	$4,838.24	$1,252.86	$1,498.44	$1,820.14	$0.00	$13,248.13
$0.00	$1,426.70	$791.66	$0.00	$674.31	$1,638.16	$0.00	$4,530.83
$705.45	$388.45	$2,718.60	$0.00	$0.00	$0.00	$0.00	$3,812.50
$0.00	$0.00	$489.34	$0.00	$0.00	$0.00	$0.00	$489.34
Subtotal Monthly Rate Revenue for Solid Waste Bins==>							$162,712.05

Proposed 1st Year Monthly Rate Revenue for Trash Compactors							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal Monthly Rate Revenue for Solid Waste Compactors==>							$0.00

Proposed 1st Year Monthly Rate Revenue for Recycling Containers							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
$2,197.78	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$2,197.78
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$109.74	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$109.74
$98.77	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$98.77
$62.84	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$62.84
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$622.40	$1,160.87	$543.17	$0.00	$0.00	$0.00	$0.00	$2,326.43
$0.00	$1,508.91	$0.00	$0.00	$0.00	$0.00	$0.00	$1,508.91
Subtotal Monthly Rate Revenue for Recycling Material==>							$6,304.47

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E	F	G	H
		Proposed Monthly Rates for Organics Containers						
Row	Container Type/Size	Frequency of Collections per Week						Additional Pick Up
		1	2	3	4	5	6	
28	70 Gal Cart	$46.81	$93.61	$140.42	$187.22	$234.03	$280.84	$0.00
29	98 Gal Cart	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
30	2 cubic yard - 1st bin	$109.74	$180.35	$0.00	$0.00	$0.00	$0.00	$0.00
31	2 cubic yard - each addl	$98.77	$162.31	$0.00	$0.00	$0.00	$0.00	$0.00
32								
		Proposed Monthly Rates for Other Services						
Row	Service Type	Frequency of Collections per Week						Additional Pick Up
		1	2	3	4	5	6	
33	Scout Service	$78.66	$187.41	$281.41	$374.83	$468.53	$562.23	
34	Container Lock Charge	$13.66						
35	Enclosure Lock Charge							
36	Pull-out Exceeding 25 feet							
37	Sunday Service - Each Service							
38	Valet Service for Carts	$6.00						
39								
40								
	NOTES							
1								
2								
3								

I	J	K	L	M	N	O	P
Subscription Levels for Organics Containers							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
227.0	8.0	7.0					242.0
10.0	4.0	2.0					16.0
6.0	1.0	1.0	1.0	2.0			11.0
2.0	0.0	1.0					3.0
245.0	**13.0**	**11.0**	**1.0**	**2.0**	**0.0**	**0.0**	**272.0**
Subscription Levels for Other Services							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
42.0	18.0	2.0					
97.0							

THIS WORKSHEET WILL SELF-POPULATE - NO INPUT NECESSARY!!!!

Q	R	S	T	U	V	W	X
Proposed 1st Year Monthly Rate Revenue for Organics Containers							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
$10,625.87	$748.88	$982.94	$0.00	$0.00	$0.00	$0.00	$12,357.69
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$658.44	$180.35	$0.00	$0.00	$0.00	$0.00	$0.00	$838.79
$197.54	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$197.54
Subtotal Monthly Rate Revenue for Organic Material==>							$13,394.02
Proposed 1st Year Monthly Rate Revenue for Other Services							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
$3,303.72	$3,373.38	$562.82	$0.00	$0.00	$0.00	$0.00	$7,239.92
$1,325.02	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,325.02
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal Monthly Rate Revenue for Other Services==>							$8,564.94
Total Proposed Monthly Rate Revenue==>							$190,975.48
Total Proposed Annual Rate Revenue==>							$2,291,705.76

Form 2.3: Roll-Off & On-Call Service Year-One Proposed Rates

Proposer:	ENTER PROPOSER NAME
Option:	CITY WIDE

Instructions: Enter proposed rates for roll-box and compactor service, disposal and processing, temporary bins service and bulky item collection in column B and assumed service subscriptions in column D.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E	F
Row	**Container Size/Type**	**Customer Rate**		**Service Count**		**Estimated Rate Revenue**
	Roll-Off Box Hauling Service					
1	Roll off boxes and compactors (all sizes). Includes delivery and removal.		per haul		# of pulls	$0
2	Roll Off Boxes and Compactors (all sizes) Customer Owned Equipment. Includes Delivery and removal.		per haul		# of pulls	$0
3	**Subtotal Roll-Off Service**			0.0	# of pulls	$0
	Roll-Off Disposal/Processing & Other Fees					
4	Solid waste (transfer only - no processing)		per ton		# of tons	$0
5	Solid waste processing (MRF) [1]		per ton		# of tons	$0
6	Commingled recyclables processing		per ton		# of tons	$0
7	Segregated green waste		per ton		# of tons	$0
7	Segregated food waste		per ton		# of tons	$0
8	Organics		per ton		# of tons	$0
9	C&D processing [2]		per ton		# of tons	$0
10	Roll-off box cleaning beyond one (1) per year.		per event		# of events	$0
10	Redelivery/Return trip/Dry run		per event		# of events	$0
11			per day		# of days	$0
	Temporary roll-off daily rental after 7 days with no dump					
12	Relocation fee		per event		# of events	$0
13	Sunday service surcharge		per event		# of events	$0
14	**Subtotal Roll-Off Disposal/Processing**			0.0		$0
15	**Total Roll-Off Revenue**					$0
	Temporary Bin					
16	3YD Bin - deliver, pickup and one dump		per event		# of events	$0
17	3YD Bin additional dump		per event		# of events	$0
18	6YD Bin - deliver, pickup and one dump		per event		# of events	$0
19	6YD Bin additional dump		per event		# of events	$0
20	Daily rental after 7 days		Per Day		# of Days	$0
	Bulky Item Collection					
21	MFD Bulky Item Pickup - beyond four (4) pickup collection events per year.		Per event		# of events	$0
22	Commercial Bulky Item Pickup - per collection event.		Per event		# of events	$0
23	Commercial Bulky Item Pickup - per item.		Per Item		# Items	$0
24	**Total Annual Rate Revenue**					**$0**

NOTES

1 State percentage recovery minimum in proposal.

2 75% minimum diversion.

Form 2.4: Other Charges and Fees Year-One Proposed Fees

Proposer: ENTER PROPOSER NAME

Option: CITY WIDE

Instructions: Enter proposed rates charges and fees in column B.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C
Row	**Description**	**Fee**	
1	Bin cleaning bin fee beyond one (1) per per year.		per event
2	Enclosure clean-out fee due to overflowing containers.		per event
3	Commercial return trip fee on scheduled pickup day.		per event
4	Commercial service reinstatement fee after suspension for non-payment		per event
5	Commercial Cart or Bin Exchange beyond once per Agreement Year		per event
6	Late Payment charge for unpaid balance per month after 30 days past due date.	1.50%	% of monthly balance
7	Contamination Fee upon third and subsequent occurrence in 12-month period.		per event
8	Commercial U-Waste, & E-Waste Collection		per event
9	Emergency Service - 1 Crew & 1 Truck		per event
11			per event
12			per hour
15			

RFP ATTACHMENT 7

COMMERCIAL

SUPPORTING COSTS & ROUTE DETAIL WORKSHEETS

Instructions: Input data requested in FORMS 1.1 through 1.8. Only input into **green colored cells**.

FORM	Content
1.1	Costs Summary
1.2	Not Used
1.3	Direct Labor - (Route related labor)
1.4	Indirect Wages (Vehicle R&M, Container R&M, and Management)
1.5	Equipment R&M
1.6	Allocated Costs (to line of business, e.g. SFD, Commercial, Roll-Off)
1.7	Capital Expenditures (CapEx)
1.8	Disposal & Processing Costs

Form 1.1 Costs Summary

	PROPOSER:	ENTER PROPOSER NAME			
	OPTION:	COMMERCIAL			

Instructions:
1. Enter Proposer name above.
2. Enter the assumed profit percentage in row 25, columns B - D and F. References to column letters and row numbers are to those inserted into the worksheet.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E
		SFD NOT USED	Commercial	Roll-Off & On-Call Services	Total Year-One Annual Cost
1	**Direct Wages & Benefits**		$0	$0	$0
2	**Route Vehicle Depreciation**		$0	$0	$0
	Vehicle Repair & Maintenance				
3	Wages & Benefits		$0	$0	$0
4	Parts & Supplies		$0	$0	$0
5	Fuel		$0	$0	$0
6	Depreciation Other		$0	$0	$0
	Subtotal Vehicle R&M		**$0**	**$0**	**$0**
	Container Repair & Maintenance				
7	Wages & Benefits		$0	$0	$0
8	Parts & Supplies		$0	$0	$0
9	Container Depreciation		$0	$0	$0
10	Depreciation Other		$0	$0	$0
	Subtotal Container R&M		**$0**	**$0**	**$0**
11	**Other Indirect Costs**		$0	$0	$0
12	**Total Operations Costs**		**$0**	**$0**	**$0**
	Management & Admin.				
13	Wages & Benefits		$0	$0	$0
14	Other G&A Costs		$0	$0	$0
15	Depreciation		$0	$0	$0
16	**Subtotal Management & Admin**		**$0**	**$0**	**$0**
17	**Disposal & Processing Costs**		$0	$0	$0
	Interest Expense				
18	Route Vehicle Interest		$0	$0	$0
19	Vehicle R&M Interest		$0	$0	$0
20	Container Interest		$0	$0	$0
21	Container R&M Interest		$0	$0	$0
22	Other Interest		$0	$0	$0
	Total Interest Expense		**$0**	**$0**	**$0**
23	**TOTAL COSTS BEFORE PROFIT**		**$0**	**$0**	**$0**
24	Profit Percent Assumption				0.0%
25	Profit Assumption		$0	$0	$0
26	**Estimated Contractor Compensation**		**$0**	**$0**	**$0**

Form 1.3 - Direct Labor

PROPOSER: ENTER PROPOSER NAME

OPTION: COMMERCIAL

Instructions: Enter proposed positions in Column A (e.g. MSW Driver, Recycling Driver, etc.) Enter proposed annual regular and overtime hours for SFD, Commercial & Multi-Family, and for Roll-Off & On-Call Services in Columns B and C . Enter Hourly Pay Rate in Column D. Enter Total Benefits & Other Employment Costs in column F to include all employment and fringe benefits costs such as vacation, medical, sick pay, PTO, uniforms, workers' compensation, payroll taxes, etc.

Only populate green colored cells. Avoid overwriting aqua colored cells.

SFD
NOT USED

	A	B	C	D	E	F	G	H	I	J
	Direct Labor [1]	**Annual Hours - Regular**	**Annual Hours - Overtime**	**Hourly Wage Rate**	**Annual Wages**	**Annual Benefits & Other Employment Costs** [2]	**Annual Direct Labor Costs**	**Annual FTEs**	**% Labor Burden**	**% Total Hours**
1	ASL Driver				$0		$0	0.00	0.0%	0.0%
2	Front Load Driver				$0		$0	0.00	0.0%	0.0%
3	Helper				$0		$0	0.00	0.0%	0.0%
4					$0		$0	0.00	0.0%	0.0%
5					$0		$0	0.00	0.0%	0.0%
6					$0		$0	0.00	0.0%	0.0%
7					$0		$0	0.00	0.0%	0.0%
8					$0		$0	0.00	0.0%	0.0%
9					$0		$0	0.00	0.0%	0.0%
10					$0		$0	0.00	0.0%	0.0%
11	**Total Single-Family**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**

Form 1.3 - Direct Labor

	COMMERCIAL & MFD									
	Direct Labor [1]	Annual Hours - Regular	Annual Hours - Overtime	Hourly Wage Rate	Annual Wages	Annual Benefits & Other Employment Costs [2]	Annual Direct Labor Costs	Annual FTEs	% Labor Burden	% Total Hours
12	ASL Driver				$0		$0	0.00	0.0%	0.0%
13	Front Load Driver				$0		$0	0.00	0.0%	0.0%
14	Scout Driver				$0		$0	0.00	0.0%	0.0%
15	Helper				$0		$0	0.00	0.0%	0.0%
16					$0		$0	0.00	0.0%	0.0%
17					$0		$0	0.00	0.0%	0.0%
18					$0		$0	0.00	0.0%	0.0%
19					$0		$0	0.00	0.0%	0.0%
20					$0		$0	0.00	0.0%	0.0%
21					$0		$0	0.00	0.0%	0.0%
22	**Total Commercial**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**

	ROLL-OFF BOX & ON-CALL SERVICES [3]									
	Direct Labor [1]	Annual Hours - Regular	Annual Hours - Overtime	Hourly Wage Rate	Annual Wages	Annual Benefits & Other Employment Costs [2]	Annual Direct Labor Costs	Annual FTEs	% Labor Burden	% Total Hours
23	Roll-off driver				$0		$0	0.00	0.0%	0.0%
24	Flat-bed driver				$0		$0	0.00	0.0%	0.0%
25					$0		$0	0.00	0.0%	0.0%
26					$0		$0	0.00	0.0%	0.0%
27					$0		$0	0.00	0.0%	0.0%
28					$0		$0	0.00	0.0%	0.0%
29	**Total On-Call**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**
30	**GRAND TOTAL DIRECT LABOR**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**

NOTES

Form 1.3 - Direct Labor

1 Enter Employee classifications such as ASL driver, FL Driver, RL Driver, Scout Driver, Roll-Off Driver, Flat-Bed Driver, Relief Driver, Helper, etc.
2 All employment costs other than wages but including workers' compensation, payroll taxes, and benefits such as uniforms, medical, pension, vacation, sick pay, PTO, etc.
3 Only enter wages related to roll-off box service and temporary bins that have not been captured elsewhere.

Form 1.4 - Indirect Wages

PROPOSER: ENTER PROPOSER NAME

OPTION: COMMERCIAL

Instructions: Enter proposed positions in Column A (e.g. Mechanic, etc.) Enter proposed annual regular and overtime hours in Columns B and C . Enter Hourly Pay Rate in Column D. Enter Total Benefits & Other Employment Costs in column F to include all employment and fringe benefits costs such as vacation, medical, sick pay, PTO, uniforms, workers' compensation, payroll taxes, etc. Enter percent allocation to SFD, Commercial and Roll-Off in Rows 10 through 11, Column B.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E	F	G	H	I	J
	VEHICLE REPAIR & MAINTENANCE									
1	**Indirect Wages [1]**	**Annual Hours - Regular**	**Annual Hours - Overtime**	**Hourly Wage Rate**	**Annual Wages**	**Annual Benefits & Other Employment Costs [2]**	**Annual Direct Labor Costs**	**Annual FTEs**	**% Labor Burden**	**% Total Hours**
2	Mechanic				$0		$0	0.00	0.0%	0.0%
3	Welder				$0		$0	0.00	0.0%	0.0%
4					$0		$0	0.00	0.0%	0.0%
5					$0		$0	0.00	0.0%	0.0%
6					$0		$0	0.00	0.0%	0.0%
7					$0		$0	0.00	0.0%	0.0%
8	**TOTAL VEHICLE R&M**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**
					ALLOCATION TO LINE OF BUSINESS	**% Allocation**	**Total**			
9					SFD			<<Not Used		
10					Commercial		**$0**			
11					Roll-Off		**$0**			
					Must Equal 100%==>	**0.0%**	**$0**			

Form 1.4 - Indirect Wages

	CONTAINER REPAIR & MAINTENANCE [3]									
12	Indirect Wages [1]	Annual Hours - Regular	Annual Hours - Overtime	Hourly Wage Rate	Annual Wages	Annual Benefits & Other Employment Costs [2]	Annual Direct Labor Costs	Annual FTEs	% Labor Burden	% Total Hours
13	Welder				$0		$0	0.00	0.0%	0.0%
14					$0		$0	0.00	0.0%	0.0%
15					$0		$0	0.00	0.0%	0.0%
16					$0		$0	0.00	0.0%	0.0%
17					$0		$0	0.00	0.0%	0.0%
18	**TOTAL CONTAINER R&M**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**
	ALLOCATION TO LINE OF BUSINESS					**% Allocation**	**Total**			
19	SFD							<<Not Used		
20	Commercial						**$0**			
21	Roll-Off						**$0**			
	Must Equal 100%==>					**0.0%**	**$0**			

Form 1.4 - Indirect Wages

MANAGEMENT & ADMINISTRATION

	Indirect Wages [1]	Annual Hours - Regular	Annual Hours - Overtime	Hourly Wage Rate	Annual Wages	Annual Benefits & Other Employment Costs [2]	Annual Direct Labor Costs	Annual FTEs	% Labor Burden	% Total Hours
22	Operations Manager				$0		$0	0.00	0.0%	0.0%
23	Route Supervisor				$0		$0	0.00	0.0%	0.0%
24					$0		$0	0.00	0.0%	0.0%
25					$0		$0	0.00	0.0%	0.0%
26					$0		$0	0.00	0.0%	0.0%
27					$0		$0	0.00	0.0%	0.0%
28					$0		$0	0.00	0.0%	0.0%
29					$0		$0	0.00	0.0%	0.0%
30					$0		$0	0.00	0.0%	0.0%
31					$0		$0	0.00	0.0%	0.0%
32					$0		$0	0.00	0.0%	0.0%
33					$0		$0	0.00	0.0%	0.0%
34					$0		$0	0.00	0.0%	0.0%
35					$0		$0	0.00	0.0%	0.0%
36					$0		$0	0.00	0.0%	0.0%
37	**TOTAL MANAGEMENT & ADMIN**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**
					ALLOCATION TO LINE OF BUSINESS	**% Allocation**	**Total**			
38					SFD			<<Not Used		
39					Commercial		**$0**			
40					Roll-Off		**$0**			
					Must Equal 100%==>	**0.0%**	**$0**			
41	**TOTAL INDIRECT WAGES**	-	-		**$0**	**$0**	**$0**	-	**0.0%**	**0.0%**

NOTES

1 Enter Employee classifications, e.g. . mechanics, welders, supervisors, operations manager, customer service representatives, etc.

2 All employment costs other than wages, workers' compensation and payroll taxes, but including benefits such as; medical, pension, vacation, sick pay, PTO, etc.

3 Include all personnel involved in container management, repair and maintenance including container delivery and pick-up drivers, welders, painters, etc.

Form 1.5 Equipment R&M

		PROPOSER:	ENTER PROPOSER NAME		
		OPTION:	COMMERCIAL		

Instructions: Enter route vehicle repair and maintenance costs. The cost categories in Column A are provided as examples. Each proposer is to enter descriptions consistent with their own cost classification.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E
	Route Vehicle Related Costs	**SFD Vehicles**	**Commercial Vehicles**	**Roll-Off & On Call Services Vehicles**	**Annual Cost**
1	Parts				$0
2	Oil				$0
3	Tires				$0
4	Outside Repairs	NOT USED			$0
5	Taxes and Licenses				$0
6	Other (Enter Here)				$0
7					$0
8					$0
9	**Subtotal Vehicle R&M**	**$0**	**$0**	**$0**	**$0**
10	**Fuel**	NOT USED			**$0**
	Container Repair & Maintenance	**SFD Vehicles**	**Commercial Vehicles**	**Roll-Off & On Call Services Vehicles**	**Annual Cost**
11	Parts & Supplies				$0
12	Other (Enter Here)	NOT USED			$0
12					$0
13					$0
14	**Subtotal Container O&M**	**$0**	**$0**	**$0**	**$0**
15	**Total Container R&M**	**$0**	**$0**	**$0**	**$0**

Form 1.6 Allocated Costs

PROPOSER:	ENTER PROPOSER NAME
OPTION:	COMMERCIAL

Instructions: Enter other indirect costs for **Rows 2 to 10** and rows **12 to 31**, in columns C, D E. The cost categories in Column A are provided as examples. Each proposer is to enter descriptions consistent with their own financial plan.

Please note that Item 3. 'Other Depreciation' is populated from Form 1.7 'Cap-Ex', Column G, Row 62, 71, & 80; and Item 4. 'Interest Expense' is populated from Form 1.7 Cap-Ex, Column I, Row 62, 71, & 80 (all references to rows and columns in form not worksheet).

Beginning with Item 5 and through Item 8, enter percentage allocation in Column B. Totals must equal 100% for each section.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E	F
			Vehicle Repair & Maintenance	Container Management, Repair & Maintenance	Management & Administrative	Total
	1. Other Indirect Costs [1]					
2	(Enter Description)					$0
3	(Enter Description)					$0
4	(Enter Description)					$0
5	(Enter Description)					$0
6	(Enter Description)					$0
7	(Enter Description)					$0
8						$0
9						$0
10						$0
11	**Subtotal Other Indirect Cost**		**$0**	**$0**	**$0**	**$0**
	2. Management & Administrative Costs [2]					
12	(Enter Description)					$0
13	(Enter Description)					$0
14	(Enter Description)					$0
15	(Enter Description)					$0
16	(Enter Description)					$0
17	(Enter Description)					$0
18	(Enter Description)					$0
19	(Enter Description)					$0
20	(Enter Description)					$0
21						$0
22						$0
23						$0
24						$0
25						$0
26						$0
27						$0
28						$0
29						$0
30						$0
31						$0
32	**Subtotal Management & Administrative Cost**		**$0**	**$0**	**$0**	**$0**
33	**3. Other Depreciation (From CapEx YR-1)**		**$0**	**$0**	**$0**	**$0**
34	**4. Other Interest (From CapEx YR-1)**		**$0**	**$0**	**$0**	**$0**
35	**Total Costs to be Allocated**		**$0**	**$0**	**$0**	**$0**

Form 1.6 Allocated Costs

	5. Other Indirect Costs	% Allocation	Vehicle Repair & Maintenance	Container Management, Repair & Maintenance	Management & Administrative	Total
46	SFD NOT USED		NOT USED			
47	MFD		$0	$0	$0	$0
48	Roll-Off Box & On-Call Services		$0	$0	$0	$0
49	**Total Costs Allocated Out: Must = 100%>>**	**0.0%**	**$0**	**$0**	**$0**	**$0**
	6. Management & Administrative Costs					
50	SFD NOT USED		NOT USED			
51	MFD		$0	$0	$0	$0
52	Roll-Off Box & On-Call Services		$0	$0	$0	$0
53	**Total Costs Allocated Out: Must = 100%>>**	**0.0%**	**$0**	**$0**	**$0**	**$0**
	7. Other Depreciation					
54	SFD NOT USED		NOT USED			
55	MFD		$0	$0	$0	$0
56	Roll-Off Box & On-Call Services		$0	$0	$0	$0
57	**Total Costs Allocated Out: Must = 100%>>**	**0.0%**	**$0**	**$0**	**$0**	**$0**
	8. Other Interest					
58	SFD NOT USED		NOT USED			
59	MFD		$0	$0	$0	$0
60	Roll-Off Box & On-Call Services		$0	$0	$0	$0
61	**Total Costs Allocated Out: Must = 100%>>**	**0.0%**	**$0**	**$0**	**$0**	**$0**

NOTES

1 Enter "Other Indirect Costs such as Safety &Training, Uniforms, etc.

2 Enter "Other Management and Administrative Costs" such as Rent, Utilities, Telephone, Information Technology, Office Supplies, Bad Debt, Accounting, Legal, Public Outreach, Payments to the City (Other than Franchise Fee), etc.

Form 1.7 CapEx

PROPOSER:	ENTER PROPOSER NAME	
OPTION:	COMMERCIAL	

Instructions: This worksheet is includes inputs for Vehicles, Containers and Other Capital Costs. Enter other asset description, purchase price, salvage value, expected asset life and interest rate for cost of capital.

Only populate green colored cells. Avoid overwriting aqua colored cells.

ROW	A	B	C	D	E	F	G	H	I
	VEHICLES YEAR 1 CONVENTIONAL								
	1 SFD VEHICLES								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
1									
2									
3									
4									
5									
6	NOT USED								
7									
8									
9									
10									
11	**TOTAL SFD VEHICLES**								
	2 COMMERCIAL VEHICLES								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
12				$0			$0		$0
13				$0			$0		$0
14				$0			$0		$0
15				$0			$0		$0
16				$0			$0		$0
17				$0			$0		$0
18				$0			$0		$0
19				$0			$0		$0
20				$0			$0		$0
21				$0			$0		$0
22	**TOTAL COMMERCIAL & MFD VEHICLES**		-	**$0**			**$0**		**$0**
	3 ROLL-OFF BOX & ON-CALL SERVICES VEHICLES								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
23	Roll-Off Trucks			$0			$0		$0
24				$0			$0		$0
25				$0			$0		$0
26				$0			$0		$0
27				$0			$0		$0
28	**TOTAL ROLL-OFF & ON-CALL VEHICLES**		-	**$0**			**$0**		**$0**
29	**TOTAL VEHICLES**		-	**$0**			**$0**		**$0**

Form 1.7 CapEx

	CONTAINERS								
	4 SFD CONTAINERS								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
30									
31									
32									
33									
34				NOT USED					
35									
36									
37									
38	**TOTAL SFD CONTAINERS**								
	5 COMMERCIAL CONTAINERS								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
39				$0			$0		$0
40				$0			$0		$0
41				$0			$0		$0
42				$0			$0		$0
43				$0			$0		$0
44				$0			$0		$0
45				$0			$0		$0
46				$0			$0		$0
47	**TOTAL COMMERCIAL & MFD CONTAINERS**		-	**$0**			**$0**		**$0**
	6 ROLL-BOX & ON-CALL SERVICES CONTAINERS								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
48				$0			$0		$0
49				$0			$0		$0
50				$0			$0		$0
96				$0			$0		$0
51				$0			$0		$0
52	**TOTAL ROLL-OFF & ON-CALL CONTAINERS**		-	**$0**			**$0**		**$0**
53	**TOTAL CONTAINERS**		-	**$0**			**$0**		**$0**

Form 1.7 CapEx

	Description	Price	QTY	Total	Salvage	Life	Depreciation	Interest Rate	1st Year Interest
	OTHER CAPITAL COSTS								
	7 OTHER: VEHICLE REPAIR & MAINTENANCE								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
63	Shop Truck			$0			$0		$0
64				$0			$0		$0
65				$0			$0		$0
66				$0			$0		$0
67				$0			$0		$0
68				$0			$0		$0
69				$0			$0		$0
70				$0			$0		$0
71	**TOTAL OTHER VEHICLE R&M**		-	**$0**			**$0**		**$0**
	8 OTHER: CONTAINER MANAGEMENT, REPAIR & MAINTENANCE								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
72	Flatbed			$0			$0		$0
73				$0			$0		$0
74				$0			$0		$0
75				$0			$0		$0
76				$0			$0		$0
77				$0			$0		$0
78				$0			$0		$0
79				$0			$0		$0
80	**TOTAL OTHER CONTAINER R&M**		-	**$0**			**$0**		**$0**
	9 OTHER: MANAGEMENT & ADMINISTRATIVE								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
54	Pickups			$0			$0		$0
55	Vehicles			$0			$0		$0
56				$0			$0		$0
57				$0			$0		$0
58				$0			$0		$0
59				$0			$0		$0
60				$0			$0		$0
61				$0			$0		$0
62	**TOTAL OTHER MANAGEMENT ADMIN**		-	**$0**			**$0**		**$0**
81	**TOTAL OTHER MANAGEMENT ADMIN., VEHICLE R&M, CONTAINER R&M**		-	**$0**			**$0**		**$0**
82	**GRAND TOTAL**		-	**$0**			**$0**		**$0**

Form 1.8 Disposal and Processing Costs

PROPOSER:	ENTER PROPOSER NAME
OPTION:	COMMERCIAL

Instructions: For each waste stream e.g. landfill disposal, solid waste processing, recyclables processing, Organics, etc., enter the projected tonnage, tipping fee per ton. If transportation from facility to facility is required, enter tons and costs per ton to transport. Waste streams are examples only, enter consistent with your proposed plans.

Only populate green colored cells. Avoid overwriting aqua colored cells.

RESIDENTIAL (SINGLE-FAMILY DWELLINGS)

Row	Facility	Tons	$/Ton	Total Cost
	Solid Waste (Trash)			
1				
2	NOT USED			
3				
4	**Solid Waste Total**			
	Recycling Processing			
	Facility	**Tons**	**$/Ton**	**Total Cost**
5				
6	NOT USED			
7				
8	**Recycling Processing Total**			
	Organics Processing			
	Facility	**Tons**	**$/Ton**	**Total Cost**
9				
10	NOT USED			
11				
12	**Organics Processing Total**			
13	**SFD TOTAL**			

Form 1.8 Disposal and Processing Costs

COMMERCIAL				
	Solid Waste (Trash)			
	Facility	Tons	$/Ton	Total Cost
14				$0
15				$0
16				$0
17	**Solid Waste Total**	**0.0**	**$ -**	**$0**
	Recycling Processing			
	Facility	Tons	$/Ton	Total Cost
18				$0
19				$0
20				$0
21	**Recycling Processing Total**	**0.0**	**$ -**	**$0**
	Organics Processing			
	Facility	Tons	$/Ton	Total Cost
22				$0
23				$0
24				$0
25	**Organics Processing Total**	**0.0**	**$ -**	**$0**
26	**COMMERCIAL TOTAL**	**0.0**	**$ -**	**$0**

Form 1.8 Disposal and Processing Costs

	ROLL-OFF BOX & ON-CALL			
	Refuse			
	Facility	**Tons**	**$/Ton**	**Total Cost**
27				$0
28				$0
29				$0
30	**MSW Total**	**0.0**	**$ -**	**$0**
	Recycling Processing			
	Facility	**Tons**	**$/Ton**	**Total Cost**
31				$0
32				$0
33				$0
34	**Recycling Processing Total**	**0.0**	**$ -**	**$0**
	Organics Processing			
	Facility	**Tons**	**$/Ton**	**Total Cost**
35				$0
36				$0
37				$0
38	**Organics Processing Total**	**0.0**	**$ -**	**$0**
39	**ROLL-OFF BOX & ON-CALL TOTAL**	**0.0**	**$ -**	**$0**

RFP ATTACHMENT 7

RATE PROPOSAL FORMS

Instructions: Input data requested in FORMS 2.0 through 2.4. **Only input into green colored cells.**

FORM	Content
2.0	Rate Revenue Summary
2.1	Not Used
2.2	Commercial/MFD Year-One Proposed Rates
2.3	Roll-Off and On-Call Year-One Proposed Rates (Roll-Off, Temporary Clean-Up Bins, & MFD Bulky Item Collection)
2.4	Other Charges Year-One Proposed Rates

FORM 2.0: RATE REVENUE SUMMARY

		Proposer:	ENTER PROPOSER NAME
		Option:	COMMERCIAL

Instructions: Confirm the reasonableness of total estimated first-year rate revenue (row 4, column D) based upon proposed rates and estimated service counts; and, drop box, temporary bins, and bulky items entered in forms 2.1 - 2.4.

The Estimated First-Year Rate Revenue in row 10 and Esimated Contractor Compensation in row 11 should equal - explain any variation.

	A	C	D
Row	**Service Category**		**Proposed Rate Revenue**
	Estimated Rate Revenue		
1	Commercial Service Rate Revenue[1]		$2,291,706
2	Drop-Off & Other On-Call Rate Revenue[1]		$0
3	**Estimated First-Year Rate Revenue[1]**		**$2,291,706**
	City Fees		
4	Franchise Fee [2]	5.4%	$123,000.00
5	CalRecycle Compliance Fee		$375,000
6	**Total First-Year City Fees**		**$498,000**
7	**Estimated First-Year Rate Revenue Less City Fees**		**$1,793,706**
8	**Estimated Contractor Compensation (From Form 1.1)**		**$0**
9	**Difference Between Rate Revenue and Estimated Contractor Compensation [3]**		**$1,793,706**

NOTES

1 Includes City Fees

2 Franchise fees represent the City's value of franchise. Proposer may agree or offer a different amount.

3 The rate revenue generated by the service levels assumptions and rates proposed in Forms 2.1 through 2.4 should equal the estimated contractor compensation in form 1.1. Proposer shall explain any material difference between proposed first-year rate revenues and its estimated first-year Contractor Compensation.

Form 2.2: Commercial/MFD Year-One Proposed Rates

Proposer: ENTER PROPOSER NAME

Option: COMMERCIAL

Instructions: In columns B - H, enter proposed rates in green colored cells rows 1 - 13 for trash; rows 14 - 17 for trash compactors; rows 19 - 26 for recycling, rows 28 - 31 for organics, and rows 33 - 40 for other charges.

Only populate green colored cells. Avoid overwriting aqua colored cells.

Proposed Monthly Rates for Trash Containers

	A	B	C	D	E	F	G	H
Row	Container Type/Size	Frequency of Collections per Week						Additional Pick Up
		1	2	3	4	5	6	
1	70 Gal Cart	$41.31						
2	98 Gal Cart							
3	1.5 cubic yard - 1st bin	$109.74	$180.35					
4	1.5 cubic yard - each addl	$98.77	$162.31					
5	2 cubic yard - 1st bin	$125.68	$217.90	$297.89	$385.50	$477.75	$557.74	$47.98
6	2 cubic yard - each addl	$113.10	$196.10	$268.11	$346.96	$429.98	$501.96	
7	3 cubic yard - 1st bin	$155.60	$257.97	$362.11	$470.26	$576.41	$703.49	$55.56
8	3 cubic yard - each addl	$140.03	$232.14	$326.00	$423.23	$518.78	$633.15	
9	4 cubic yard - 1st bin	$197.00	$317.05	$439.84	$626.43	$749.22	$910.07	$63.17
10	4 cubic yard - each addl	$177.28	$285.34	$395.83	$563.78	$674.31	$819.08	
11	6 cubic yard - 1st bin	$235.15	$388.45	$543.72	$790.24	$943.57	$1,139.84	$73.37
12	6 cubic yard - each addl	$211.63	$349.61	$489.34	$711.23	$849.21	$1,028.87	
13								

Proposed Monthly Rates for Trash Compactors

Row	Container Type/Size	Frequency of Collections per Week						Additional Pick Up
		1	2	3	4	5	6	
14	2 cubic yard compactor							
15	3 cubic yard compactor							
16	4 cubic yard compactor							
17	6 cubic yard compactor							
18								

Proposed Monthly Rates for Recycling Containers

Row	Container Type/Size	Frequency of Collections per Week						Additional Pick Up
		1	2	3	4	5	6	
19	70 Gal Cart	$20.54	$0.00					$0.00
20	98 Gal Cart	$20.54	$0.00					$0.00
21	1.5 cubic yard - 1st bin	$54.87	$90.18	$0.00	$0.00	$0.00	$0.00	$0.00
22	1.5 cubic yard - each addl	$49.39	$81.16	$0.00	$0.00	$0.00	$0.00	$0.00
23	2 cubic yard - 1st bin	$62.84	$108.95	$148.95	$192.75	$238.88	$278.87	$23.99
24	2 cubic yard - each addl	$56.55	$98.05	$134.06	$173.48	$214.99	$250.98	$0.00
25	3 cubic yard - 1st bin	$77.80	$128.99	$181.06	$235.13	$288.21	$351.75	$27.78
26	3 cubic yard - each addl	$70.02	$116.07	$163.00	$211.62	$259.39	$316.58	$0.00
27								

Commercial/MFD Year-One Proposed Rates

Proposer: ENTER PROPOSER NAME

Option: COMMERCIAL

This subscription level were provided by the existing franchise hauler. Each Proposer must review and proposed projected subscription levels based on their own program/technology expectations.

Subscription Levels for Trash Containers

I	J	K	L	M	N	O	P
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
107.0							107.0
4.0							4.0
8.0							8.0
							0.0
14.0	4.0	1.0	1.0				20.0
							0.0
68.0	54.0	55.0	14.0	10.0	8.0		209.0
41.0	83.0	91.0	24.0	8.0	1.0		248.0
5.0	9.0	11.0	2.0	2.0	2.0		31.0
	5.0	2.0		1.0	2.0		10.0
3.0	1.0	5.0					9.0
		1.0					1.0
1.0	**156.0**	**166.0**	**41.0**	**21.0**	**13.0**	**0.0**	**647.0**

Subscription Levels for Trash Compactors

Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
		1.0					1.0
							0.0
							0.0
							0.0
0.0	**0.0**	**1.0**	**0.0**	**0.0**	**0.0**	**0.0**	**1.0**

Subscription Levels for Recycling Containers

Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
107.0							107.0
							0.0
2.0							2.0
2.0							2.0
1.0							1.0
							0.0
8.0	9.0	3.0					20.0
	13.0						13.0
120.0	**22.0**	**3.0**	**0.0**	**0.0**	**0.0**	**0.0**	**145.0**

Commercial/MFD Year-One Proposed Rates

Proposer:	ENTER PROPOSER NAME
Option:	COMMERCIAL

THIS WORKSHEET WILL SELF-POPULATE - NO INPUT NECESSARY!!!!

Proposed 1st Year Monthly Rate Revenue for Trash Containers

Q	R	S	T	U	V	W	X
Frequency of Collections per Week						Additional Pick Up	Total
1	2	3	4	5	6		
$4,420.17	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$4,420.17
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$877.92	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$877.92
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$1,759.52	$871.60	$297.89	$385.50	$0.00	$0.00	$0.00	$3,314.51
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$10,580.80	$13,930.38	$19,916.05	$6,583.64	$5,764.10	$5,627.92	$0.00	$62,402.89
$5,741.23	$19,267.62	$29,666.00	$10,157.52	$4,150.24	$633.15	$0.00	$69,615.76
$985.00	$2,853.45	$4,838.24	$1,252.86	$1,498.44	$1,820.14	$0.00	$13,248.13
$0.00	$1,426.70	$791.66	$0.00	$674.31	$1,638.16	$0.00	$4,530.83
$705.45	$388.45	$2,718.60	$0.00	$0.00	$0.00	$0.00	$3,812.50
$0.00	$0.00	$489.34	$0.00	$0.00	$0.00	$0.00	$489.34
Subtotal Monthly Rate Revenue for Solid Waste Bins==>							$162,712.05

Proposed 1st Year Monthly Rate Revenue for Trash Compactors

Frequency of Collections per Week						Additional Pick Up	Total
1	2	3	4	5	6		
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal Monthly Rate Revenue for Solid Waste Compactors==>							$0.00

Proposed 1st Year Monthly Rate Revenue for Recycling Containers

Frequency of Collections per Week						Additional Pick Up	Total
1	2	3	4	5	6		
$2,197.78	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$2,197.78
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$109.74	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$109.74
$98.77	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$98.77
$62.84	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$62.84
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$622.40	$1,160.87	$543.17	$0.00	$0.00	$0.00	$0.00	$2,326.43
$0.00	$1,508.91	$0.00	$0.00	$0.00	$0.00	$0.00	$1,508.91
Subtotal Monthly Rate Revenue for Recycling Material==>							$6,304.47

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E	F	G	H
		Proposed Monthly Rates for Organics Containers						
Row	**Container Type/Size**	**Frequency of Collections per Week**						**Additional Pick Up**
		1	**2**	**3**	**4**	**5**	**6**	
28	70 Gal Cart	$46.81	$93.61	$140.42	$187.22	$234.03	$280.84	$0.00
29	98 Gal Cart	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
30	2 cubic yard - 1st bin	$109.74	$180.35	$0.00	$0.00	$0.00	$0.00	$0.00
31	2 cubic yard - each addl	$98.77	$162.31	$0.00	$0.00	$0.00	$0.00	$0.00
32								
		Proposed Monthly Rates for Other Services						
Row	**Service Type**	**Frequency of Collections per Week**						**Additional Pick Up**
		1	**2**	**3**	**4**	**5**	**6**	
33	Scout Service	$78.66	$187.41	$281.41	$374.83	$468.53	$562.23	
34	Container Lock Charge	$13.66						
35	Enclosure Lock Charge							
36	Pull-out Exceeding 25 feet							
37	Sunday Service - Each Service							
38	Valet Service for Carts	$6.00						
39								
40								
	NOTES							
1								
2								
3								

I	J	K	L	M	N	O	P

Subscription Levels for Organics Containers

Frequency of Collections per Week						Additional Pick Up	Total
1	2	3	4	5	6		
227.0	8.0	7.0					242.0
10.0	4.0	2.0					16.0
6.0	1.0	1.0	1.0	2.0			11.0
2.0	0.0	1.0					3.0
245.0	**13.0**	**11.0**	**1.0**	**2.0**	**0.0**	**0.0**	**272.0**

Subscription Levels for Other Services

Frequency of Collections per Week						Additional Pick Up	Total
1	2	3	4	5	6		
42.0	18.0	2.0					
97.0							

THIS WORKSHEET WILL SELF-POPULATE - NO INPUT NECESSARY!!!!							
Q	R	S	T	U	V	W	X
Proposed 1st Year Monthly Rate Revenue for Organics Containers							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
$10,625.87	$748.88	$982.94	$0.00	$0.00	$0.00	$0.00	$12,357.69
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$658.44	$180.35	$0.00	$0.00	$0.00	$0.00	$0.00	$838.79
$197.54	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$197.54
Subtotal Monthly Rate Revenue for Organic Material==>							$13,394.02
Proposed 1st Year Monthly Rate Revenue for Other Services							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
$3,303.72	$3,373.38	$562.82	$0.00	$0.00	$0.00	$0.00	$7,239.92
$1,325.02	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,325.02
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal Monthly Rate Revenue for Other Services==>							$8,564.94
Total Proposed Monthly Rate Revenue==>							$190,975.48
Total Proposed Annual Rate Revenue==>							$2,291,705.76

Form 2.3: Roll-Off & On-Call Service Year-One Proposed Rates

Proposer:	ENTER PROPOSER NAME
Option:	COMMERCIAL

Instructions: Enter proposed rates for roll-box and compactor service, disposal and processing, temporary bins service and bulky item collection in column B and assumed service subscriptions in column D.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E	F
Row	Container Size/Type	Customer Rate		Service Count		Estimated Rate Revenue
	Roll-Off Box Hauling Service					
1	Roll off boxes and compactors (all sizes). Includes delivery and removal.		per haul		# of pulls	$0
2	Roll Off Boxes and Compactors (all sizes) Customer Owned Equipment. Includes Delivery and removal.		per haul		# of pulls	$0
3	**Subtotal Roll-Off Service**			0.0	# of pulls	$0
	Roll-Off Disposal/Processing & Other Fees					
4	Solid waste (transfer only - no processing)		per ton		# of tons	$0
5	Solid waste processing (MRF) [1]		per ton		# of tons	$0
6	Commingled recyclables processing		per ton		# of tons	$0
7	Segregated green waste		per ton		# of tons	$0
7	Segregated food waste		per ton		# of tons	$0
8	Organics		per ton		# of tons	$0
9	C&D processing [2]		per ton		# of tons	$0
10	Roll-off box cleaning beyond one (1) per year.		per event		# of events	$0
10	Redelivery/Return trip/Dry run		per event		# of events	$0
11			per day		# of days	$0
	Temporary roll-off daily rental after 7 days with no dump					
12	Relocation fee		per event		# of events	$0
13	Sunday service surcharge		per event		# of events	$0
14	**Subtotal Roll-Off Disposal/Processing**			0.0		$0
15	**Total Roll-Off Revenue**					$0
	Temporary Bin					
16	3YD Bin - deliver, pickup and one dump		per event		# of events	$0
17	3YD Bin additional dump		per event		# of events	$0
18	6YD Bin - deliver, pickup and one dump		per event		# of events	$0
19	6YD Bin additional dump		per event		# of events	$0
20	Daily rental after 7 days		Per Day		# of Days	$0
	Bulky Item Collection					
21	MFD Bulky Item Pickup - beyond four (4) pickup collection events per year.		Per event		# of events	$0
22	Commercial Bulky Item Pickup - per collection event.		Per event		# of events	$0
23	Commercial Bulky Item Pickup - per item.		Per Item		# Items	$0
24	**Total Annual Rate Revenue**					**$0**

NOTES

1 State percentage recovery minimum in proposal.

2 75% minimum diversion.

Form 2.4: Other Charges and Fees Year-One Proposed Fees

Proposer: ENTER PROPOSER NAME

Option: COMMERCIAL

Instructions: Enter proposed rates charges and fees in column B.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C
Row	**Description**	**Fee**	
1	Bin cleaning bin fee beyond one (1) per per year.		per event
2	Enclosure clean-out fee due to overflowing containers.		per event
3	Return trip fee on scheduled pickup day.		per event
4	Service reinstatement fee after suspension for non-payment		per event
5	Bin Exchange beyond once per Agreement Year		per event
6	Contamination Fee upon third and subsequent occurrence in 12-month period.		per event
7	Late Payment charge for unpaid balance per month after 30 days past due date.	1.5%	% of monthly balance
8	Emergency Service - 1 Crew & 1 Truck		per hour
9			
10			
11			
12			

RFP ATTACHMENT 7

RESIDENTIAL

SUPPORTING COSTS & ROUTE DETAIL WORKSHEETS

Instructions: Input data requested in FORMS 1.1 through 1.8. Only input into **green colored cells**.

FORM	Content
1.1	Costs Summary
1.2	Not Used
1.3	Direct Labor - (Route related labor)
1.4	Indirect Wages (Vehicle R&M, Container R&M, and Management)
1.5	Equipment R&M
1.6	Allocated Costs (to line of business, e.g. SFD, Commercial, Roll-Off)
1.7	Capital Expenditures (CapEx)
1.8	Disposal & Processing Costs

Form 1.1 Costs Summary

	PROPOSER:	ENTER PROPOSER NAME			
	OPTION:	RESIDENTIAL			

Instructions:
1. Enter Proposer name above.
2. Enter the assumed profit percentage in row 25, columns B - D and F. References to column letters and row numbers are to those inserted into the worksheet.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E
		SFD	**MFD**	**Roll-Off & On-Call Services**	**Total Year-One Annual Cost**
1	**Direct Wages & Benefits**	$0	$0	$0	$0
2	**Route Vehicle Depreciation**	$0	$0	$0	$0
	Vehicle Repair & Maintenance				
3	Wages & Benefits	$0	$0	$0	$0
4	Parts & Supplies	$0	$0	$0	$0
5	Fuel	$0	$0	$0	$0
6	Depreciation Other	$0	$0	$0	$0
	Subtotal Vehicle R&M	**$0**	**$0**	**$0**	**$0**
	Container Repair & Maintenance				
7	Wages & Benefits	$0	$0	$0	$0
8	Parts & Supplies	$0	$0	$0	$0
9	Container Depreciation	$0	$0	$0	$0
10	Depreciation Other	$0	$0	$0	$0
	Subtotal Container R&M	**$0**	**$0**	**$0**	**$0**
11	**Other Indirect Costs**	$0	$0	$0	$0
12	**Total Operations Costs**	**$0**	**$0**	**$0**	**$0**
	Management & Admin.				
13	Wages & Benefits	$0	$0	$0	$0
14	Other G&A Costs	$0	$0	$0	$0
15	Depreciation	$0	$0	$0	$0
16	**Subtotal Management & Admin**	**$0**	**$0**	**$0**	**$0**
17	**Disposal & Processing Costs**	$0	$0	$0	$0
	Interest Expense				
18	Route Vehicle Interest	$0	$0	$0	$0
19	Vehicle R&M Interest	$0	$0	$0	$0
20	Container Interest	$0	$0	$0	$0
21	Container R&M Interest	$0	$0	$0	$0
22	Other Interest	$0	$0	$0	$0
	Total Interest Expense	**$0**	**$0**	**$0**	**$0**
23	**TOTAL COSTS BEFORE PROFIT**	**$0**	**$0**	**$0**	**$0**
24	Profit Percent Assumption				0.0%
25	Profit Assumption	$0	$0	$0	$0
26	**Estimated Contractor Compensation**	**$0**	**$0**	**$0**	**$0**

Form 1.3 - Direct Labor

PROPOSER: ENTER PROPOSER NAME

OPTION: RESIDENTIAL

Instructions: Enter proposed positions in Column A (e.g. MSW Driver, Recycling Driver, etc.) Enter proposed annual regular and overtime hours for SFD, Commercial & Multi-Family, and for Roll-Off & On-Call Services in Columns B and C . Enter Hourly Pay Rate in Column D. Enter Total Benefits & Other Employment Costs in column F to include all employment and fringe benefits costs such as vacation, medical, sick pay, PTO, uniforms, workers' compensation, payroll taxes, etc.

Only populate green colored cells. Avoid overwriting aqua colored cells.

SFD

	A	B	C	D	E	F	G	H	I	J
	Direct Labor [1]	**Annual Hours - Regular**	**Annual Hours - Overtime**	**Hourly Wage Rate**	**Annual Wages**	**Annual Benefits & Other Employment Costs [2]**	**Annual Direct Labor Costs**	**Annual FTEs**	**% Labor Burden**	**% Total Hours**
1	ASL Driver				$0		$0	0.00	0.0%	0.0%
2	Front Load Driver				$0		$0	0.00	0.0%	0.0%
3	Helper				$0		$0	0.00	0.0%	0.0%
4					$0		$0	0.00	0.0%	0.0%
5					$0		$0	0.00	0.0%	0.0%
6					$0		$0	0.00	0.0%	0.0%
7					$0		$0	0.00	0.0%	0.0%
8					$0		$0	0.00	0.0%	0.0%
9					$0		$0	0.00	0.0%	0.0%
10					$0		$0	0.00	0.0%	0.0%
11	**Total Single-Family**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**

Form 1.3 - Direct Labor

	MFD									
	Direct Labor [1]	Annual Hours - Regular	Annual Hours - Overtime	Hourly Wage Rate	Annual Wages	Annual Benefits & Other Employment Costs [2]	Annual Direct Labor Costs	Annual FTEs	% Labor Burden	% Total Hours
12	ASL Driver				$0		$0	0.00	0.0%	0.0%
13	Front Load Driver				$0		$0	0.00	0.0%	0.0%
14	Scout Driver				$0		$0	0.00	0.0%	0.0%
15	Helper				$0		$0	0.00	0.0%	0.0%
16					$0		$0	0.00	0.0%	0.0%
17					$0		$0	0.00	0.0%	0.0%
18					$0		$0	0.00	0.0%	0.0%
19					$0		$0	0.00	0.0%	0.0%
20					$0		$0	0.00	0.0%	0.0%
21					$0		$0	0.00	0.0%	0.0%
22	**Total MFD**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**

	ROLL-OFF BOX & ON-CALL SERVICES [3]									
	Direct Labor [1]	Annual Hours - Regular	Annual Hours - Overtime	Hourly Wage Rate	Annual Wages	Annual Benefits & Other Employment Costs [2]	Annual Direct Labor Costs	Annual FTEs	% Labor Burden	% Total Hours
23	Roll-off driver				$0		$0	0.00	0.0%	0.0%
24	Flat-bed driver				$0		$0	0.00	0.0%	0.0%
25					$0		$0	0.00	0.0%	0.0%
26					$0		$0	0.00	0.0%	0.0%
27					$0		$0	0.00	0.0%	0.0%
28					$0		$0	0.00	0.0%	0.0%
29	**Total On-Call**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**
30	**GRAND TOTAL DIRECT LABOR**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**

NOTES

Form 1.3 - Direct Labor

1 Enter Employee classifications such as ASL driver, FL Driver, RL Driver, Scout Driver, Roll-Off Driver, Flat-Bed Driver, Relief Driver, Helper, etc.

2 All employment costs other than wages but including workers' compensation, payroll taxes, and benefits such as uniforms, medical, pension, vacation, sick pay, PTO, etc.

3 Only enter wages related to roll-off box service and temporary bins that have not been captured elsewhere.

Form 1.4 - Indirect Wages

PROPOSER: **ENTER PROPOSER NAME**

OPTION: **RESIDENTIAL**

Instructions: Enter proposed positions in Column A (e.g. Mechanic, etc.) Enter proposed annual regular and overtime hours in Columns B and C . Enter Hourly Pay Rate in Column D. Enter Total Benefits & Other Employment Costs in column F to include all employment and fringe benefits costs such as vacation, medical, sick pay, PTO, uniforms, workers' compensation, payroll taxes, etc. Enter percent allocation to SFD, Commercial and Roll-Off in Rows 10 through 11, Column B.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E	F	G	H	I	J
	VEHICLE REPAIR & MAINTENANCE									
1	**Indirect Wages [1]**	**Annual Hours - Regular**	**Annual Hours - Overtime**	**Hourly Wage Rate**	**Annual Wages**	**Annual Benefits & Other Employment Costs [2]**	**Annual Direct Labor Costs**	**Annual FTEs**	**% Labor Burden**	**% Total Hours**
2	Mechanic				$0		$0	0.00	0.0%	0.0%
3	Welder				$0		$0	0.00	0.0%	0.0%
4					$0		$0	0.00	0.0%	0.0%
5					$0		$0	0.00	0.0%	0.0%
6					$0		$0	0.00	0.0%	0.0%
7					$0		$0	0.00	0.0%	0.0%
8	**TOTAL VEHICLE R&M**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**
	ALLOCATION TO LINE OF BUSINESS					**% Allocation**	**Total**			
9	SFD						**$0**			
10	MFD						**$0**			
11	Roll-Off						**$0**			
	Must Equal 100%==>					**0.0%**	**$0**			

Form 1.4 - Indirect Wages

	CONTAINER REPAIR & MAINTENANCE [3]									
12	Indirect Wages [1]	Annual Hours - Regular	Annual Hours - Overtime	Hourly Wage Rate	Annual Wages	Annual Benefits & Other Employment Costs [2]	Annual Direct Labor Costs	Annual FTEs	% Labor Burden	% Total Hours
13	Welder				$0		$0	0.00	0.0%	0.0%
14					$0		$0	0.00	0.0%	0.0%
15					$0		$0	0.00	0.0%	0.0%
16					$0		$0	0.00	0.0%	0.0%
17					$0		$0	0.00	0.0%	0.0%
18	**TOTAL CONTAINER R&M**	**-**	**-**		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**
	ALLOCATION TO LINE OF BUSINESS					**% Allocation**	**Total**			
19	SFD						**$0**			
20	MFD						**$0**			
21	Roll-Off						**$0**			
	Must Equal 100%==>					**0.0%**	**$0**			

Form 1.4 - Indirect Wages

	MANAGEMENT & ADMINISTRATION									
	Indirect Wages [1]	Annual Hours - Regular	Annual Hours - Overtime	Hourly Wage Rate	Annual Wages	Annual Benefits & Other Employment Costs [2]	Annual Direct Labor Costs	Annual FTEs	% Labor Burden	% Total Hours
22	Operations Manager				$0		$0	0.00	0.0%	0.0%
23	Route Supervisor				$0		$0	0.00	0.0%	0.0%
24					$0		$0	0.00	0.0%	0.0%
25					$0		$0	0.00	0.0%	0.0%
26					$0		$0	0.00	0.0%	0.0%
27					$0		$0	0.00	0.0%	0.0%
28					$0		$0	0.00	0.0%	0.0%
29					$0		$0	0.00	0.0%	0.0%
30					$0		$0	0.00	0.0%	0.0%
31					$0		$0	0.00	0.0%	0.0%
32					$0		$0	0.00	0.0%	0.0%
33					$0		$0	0.00	0.0%	0.0%
34					$0		$0	0.00	0.0%	0.0%
35					$0		$0	0.00	0.0%	0.0%
36					$0		$0	0.00	0.0%	0.0%
37	**TOTAL MANAGEMENT & ADMIN**	-	-		**$0**	**$0**	**$0**	**0.00**	**0.0%**	**0.0%**
					ALLOCATION TO LINE OF BUSINESS	**% Allocation**	**Total**			
38					SFD		**$0**			
39					MFD		**$0**			
40					Roll-Off		**$0**			
					Must Equal 100%==>	**0.0%**	**$0**			
41	**TOTAL INDIRECT WAGES**	-	-		**$0**	**$0**	**$0**	-	**0.0%**	**0.0%**

NOTES

1 Enter Employee classifications, e.g. . mechanics, welders, supervisors, operations manager, customer service representatives, etc.

2 All employment costs other than wages, workers' compensation and payroll taxes, but including benefits such as; medical, pension, vacation, sick pay, PTO, etc.

3 Include all personnel involved in container management, repair and maintenance including container delivery and pick-up drivers, welders, painters, etc.

Form 1.5 Equipment R&M

PROPOSER:	ENTER PROPOSER NAME
OPTION:	RESIDENTIAL

Instructions: Enter route vehicle repair and maintenance costs. The cost categories in Column A are provided as examples. Each proposer is to enter descriptions consistent with their own cost classification.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E
	Route Vehicle Related Costs	**SFD Vehicles**	**MFD Vehicles**	**Roll-Off & On Call Services Vehicles**	**Annual Cost**
1	Parts				$0
2	Oil				$0
3	Tires				$0
4	Outside Repairs				$0
5	Taxes and Licenses				$0
6	Other (Enter Here)				$0
7					$0
8					$0
9	**Subtotal Vehicle R&M**	**$0**	**$0**	**$0**	**$0**
10	**Fuel**				**$0**
	Container Repair & Maintenance	**SFD Vehicles**	**MFD Vehicles**	**Roll-Off & On Call Services Vehicles**	**Annual Cost**
11	Parts & Supplies				$0
12	Other (Enter Here)				$0
12					$0
13					$0
14	**Subtotal Container O&M**	**$0**	**$0**	**$0**	**$0**
15	**Total Container R&M**	**$0**	**$0**	**$0**	**$0**

Form 1.6 Allocated Costs

PROPOSER:	ENTER PROPOSER NAME
OPTION:	RESIDENTIAL

Instructions: Enter other indirect costs for **Rows 2 to 10** and rows **12 to 31**, in columns C, D E. The cost categories in Column A are provided as examples. Each proposer is to enter descriptions consistent with their own financial plan.

Please note that Item 3. 'Other Depreciation' is populated from Form 1.7 'Cap-Ex', Column G, Row 62, 71, & 80; and Item 4. 'Interest Expense' is populated from Form 1.7 Cap-Ex, Column I, Row 62, 71, & 80 (all references to rows and columns in form not worksheet).

Beginning with Item 5 and through Item 8, enter percentage allocation in Column B. Totals must equal 100% for each section.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E	F
			Vehicle Repair & Maintenance	Container Management, Repair & Maintenance	Management & Administrative	Total
	1. Other Indirect Costs [1]					
2	(Enter Description)					$0
3	(Enter Description)					$0
4	(Enter Description)					$0
5	(Enter Description)					$0
6	(Enter Description)					$0
7	(Enter Description)					$0
8						$0
9						$0
10						$0
11	**Subtotal Other Indirect Cost**		**$0**	**$0**	**$0**	**$0**
	2. Management & Administrative Costs [2]					
12	(Enter Description)					$0
13	(Enter Description)					$0
14	(Enter Description)					$0
15	(Enter Description)					$0
16	(Enter Description)					$0
17	(Enter Description)					$0
18	(Enter Description)					$0
19	(Enter Description)					$0
20	(Enter Description)					$0
21						$0
22						$0
23						$0
24						$0
25						$0
26						$0
27						$0
28						$0
29						$0
30						$0
31						$0
32	**Subtotal Management & Administrative Cost**		**$0**	**$0**	**$0**	**$0**
33	**3. Other Depreciation (From CapEx YR-1)**		**$0**	**$0**	**$0**	**$0**
34	**4. Other Interest (From CapEx YR-1)**		**$0**	**$0**	**$0**	**$0**
35	**Total Costs to be Allocated**		**$0**	**$0**	**$0**	**$0**

Form 1.6 Allocated Costs

		% Allocation	Vehicle Repair & Maintenance	Container Management, Repair & Maintenance	Management & Administrative	Total
	5. Other Indirect Costs					
46	SFD		**$0**	**$0**	**$0**	**$0**
47	MFD		**$0**	**$0**	**$0**	**$0**
48	Roll-Off Box & On-Call Services		**$0**	**$0**	**$0**	**$0**
49	**Total Costs Allocated Out: Must = 100%>>**	**0.0%**	**$0**	**$0**	**$0**	**$0**
	6. Management & Administrative Costs					
50	SFD		$0	$0	$0	**$0**
51	MFD		$0	$0	$0	**$0**
52	Roll-Off Box & On-Call Services		$0	$0	$0	**$0**
53	**Total Costs Allocated Out: Must = 100%>>**	**0.0%**	**$0**	**$0**	**$0**	**$0**
	7. Other Depreciation					
54	SFD		$0	$0	$0	**$0**
55	MFD		$0	$0	$0	**$0**
56	Roll-Off Box & On-Call Services		$0	$0	$0	**$0**
57	**Total Costs Allocated Out: Must = 100%>>**	**0.0%**	**$0**	**$0**	**$0**	**$0**
	8. Other Interest					
58	SFD		$0	$0	$0	**$0**
59	MFD		$0	$0	$0	**$0**
60	Roll-Off Box & On-Call Services		$0	$0	$0	**$0**
61	**Total Costs Allocated Out: Must = 100%>>**	**0.0%**	**$0**	**$0**	**$0**	**$0**

NOTES

1 Enter "Other Indirect Costs such as Safety &Training, Uniforms, etc.

2 Enter "Other Management and Administrative Costs" such as Rent, Utilities, Telephone, Information Technology, Office Supplies, Bad Debt, Accounting, Legal, Public Outreach, Payments to the City (Other than Franchise Fee), etc.

Form 1.7 CapEx

PROPOSER:	ENTER PROPOSER NAME
OPTION:	RESIDENTIAL

Instructions: This worksheet is includes inputs for Vehicles, Containers and Other Capital Costs. Enter other asset description, purchase price, salvage value, expected asset life and interest rate for cost of capital.

Only populate green colored cells. Avoid overwriting aqua colored cells.

ROW	A	B	C	D	E	F	G	H	I
	VEHICLES YEAR 1 CONVENTIONAL								
	1 SFD VEHICLES								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
1				$0			$0		$0
2				$0			$0		$0
3				$0			$0		$0
4				$0			$0		$0
5				$0			$0		$0
6				$0			$0		$0
7				$0			$0		$0
8				$0			$0		$0
9				$0			$0		$0
10				$0			$0		$0
11	**TOTAL SFD VEHICLES**		-	**$0**			**$0**		**$0**
	2 MFD VEHICLES								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
12				$0			$0		$0
13				$0			$0		$0
14				$0			$0		$0
15				$0			$0		$0
16				$0			$0		$0
17				$0			$0		$0
18				$0			$0		$0
19				$0			$0		$0
20				$0			$0		$0
21				$0			$0		$0
22	**TOTAL & MFD VEHICLES**		-	**$0**			**$0**		**$0**
	3 ROLL-OFF BOX & ON-CALL SERVICES VEHICLES								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
23	Roll-Off Trucks			$0			$0		$0
24				$0			$0		$0
25				$0			$0		$0
26				$0			$0		$0
27				$0			$0		$0
28	**TOTAL ROLL-OFF & ON-CALL VEHICLES**		-	**$0**			**$0**		**$0**
29	**TOTAL VEHICLES**		-	**$0**			**$0**		**$0**

Form 1.7 CapEx

	CONTAINERS								
	4 SFD CONTAINERS								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
30				$0			$0		$0
31				$0			$0		$0
32				$0			$0		$0
33				$0			$0		$0
34				$0			$0		$0
35				$0			$0		$0
36				$0			$0		$0
37				$0			$0		$0
38	**TOTAL SFD CONTAINERS**		-	**$0**			**$0**		**$0**
	5 MFD CONTAINERS								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
39				$0			$0		$0
40				$0			$0		$0
41				$0			$0		$0
42				$0			$0		$0
43				$0			$0		$0
44				$0			$0		$0
45				$0			$0		$0
46				$0			$0		$0
47	**TOTAL MFD CONTAINERS**		-	**$0**			**$0**		**$0**
	6 ROLL-BOX & ON-CALL SERVICES CONTAINERS								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
48				$0			$0		$0
49				$0			$0		$0
50				$0			$0		$0
96				$0			$0		$0
51				$0			$0		$0
52	**TOTAL ROLL-OFF & ON-CALL CONTAINERS**		-	**$0**			**$0**		**$0**
53	**TOTAL CONTAINERS**		-	**$0**			**$0**		**$0**

Form 1.7 CapEx

	OTHER CAPITAL COSTS								
	7 OTHER: VEHICLE REPAIR & MAINTENANCE								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
63	Shop Truck			$0			$0		$0
64				$0			$0		$0
65				$0			$0		$0
66				$0			$0		$0
67				$0			$0		$0
68				$0			$0		$0
69				$0			$0		$0
70				$0			$0		$0
71	**TOTAL OTHER VEHICLE R&M**		-	**$0**			**$0**		**$0**
	8 OTHER: CONTAINER MANAGEMENT, REPAIR & MAINTENANCE								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
72	Flatbed			$0			$0		$0
73				$0			$0		$0
74				$0			$0		$0
75				$0			$0		$0
76				$0			$0		$0
77				$0			$0		$0
78				$0			$0		$0
79				$0			$0		$0
80	**TOTAL OTHER CONTAINER R&M**		-	**$0**			**$0**		**$0**
	9 OTHER: MANAGEMENT & ADMINISTRATIVE								
	Description	**Price**	**QTY**	**Total**	**Salvage**	**Life**	**Depreciation**	**Interest Rate**	**1st Year Interest**
54	Pickups			$0			$0		$0
55	Vehicles			$0			$0		$0
56				$0			$0		$0
57				$0			$0		$0
58				$0			$0		$0
59				$0			$0		$0
60				$0			$0		$0
61				$0			$0		$0
62	**TOTAL OTHER MANAGEMENT ADMIN**		-	**$0**			**$0**		**$0**
81	**TOTAL OTHER MANAGEMENT ADMIN., VEHICLE R&M, CONTAINER R&M**		-	**$0**			**$0**		**$0**
82	**GRAND TOTAL**		-	**$0**			**$0**		**$0**

Form 1.8 Disposal and Processing Costs

PROPOSER:	ENTER PROPOSER NAME
OPTION:	RESIDENTIAL

Instructions: For each waste stream e.g. landfill disposal, solid waste processing, recyclables processing, Organics, etc., enter the projected tonnage, tipping fee per ton. If transportation from facility to facility is required, enter tons and costs per ton to transport. Waste streams are examples only, enter consistent with your proposed plans.

Only populate green colored cells. Avoid overwriting aqua colored cells.

RESIDENTIAL (SINGLE-FAMILY DWELLINGS)				
	Solid Waste (Trash)			
Row	Facility	Tons	$/Ton	Total Cost
1				$0
2				$0
3				$0
4	Solid Waste Total	0.0	$ -	$0
	Recycling Processing			
	Facility	Tons	$/Ton	Total Cost
5				$0
6				$0
7				$0
8	Recycling Processing Total	0.0	$ -	$0
	Organics Processing			
	Facility	Tons	$/Ton	Total Cost
9				$0
10				$0
11				$0
12	Organics Processing Total	0.0	$ -	$0
13	SFD TOTAL	0.0	$ -	$0

Form 1.8 Disposal and Processing Costs

	MFD			
	Solid Waste (Trash)			
	Facility	**Tons**	**$/Ton**	**Total Cost**
14				$0
15				$0
16				$0
17	**Solid Waste Total**	**0.0**	**$ -**	**$0**
	Recycling Processing			
	Facility	**Tons**	**$/Ton**	**Total Cost**
18				$0
19				$0
20				$0
21	**Recycling Processing Total**	**0.0**	**$ -**	**$0**
	Organics Processing			
	Facility	**Tons**	**$/Ton**	**Total Cost**
22				$0
23				$0
24				$0
25	**Organics Processing Total**	**0.0**	**$ -**	**$0**
26	**MFD TOTAL**	**0.0**	**$ -**	**$0**

Form 1.8 Disposal and Processing Costs

	ROLL-OFF BOX & ON-CALL			
	Refuse			
	Facility	**Tons**	**$/Ton**	**Total Cost**
27				$0
28				$0
29				$0
30	**MSW Total**	**0.0**	**$ -**	**$0**
	Recycling Processing			
	Facility	**Tons**	**$/Ton**	**Total Cost**
31				$0
32				$0
33				$0
34	**Recycling Processing Total**	**0.0**	**$ -**	**$0**
	Organics Processing			
	Facility	**Tons**	**$/Ton**	**Total Cost**
35				$0
36				$0
37				$0
38	**Organics Processing Total**	**0.0**	**$ -**	**$0**
39	**ROLL-OFF BOX & ON-CALL TOTAL**	**0.0**	**$ -**	**$0**

RFP ATTACHMENT 7

RATE PROPOSAL FORMS

Instructions: Input data requested in FORMS 2.0 through 2.4. **Only input into green colored cells.**

FORM	Content
2.0	Rate Revenue Summary
2.1	SFD Year-One Proposed Rates
2.2	MFD Year-One Proposed Rates
2.3	Roll-Off and On-Call Year-One Proposed Rates (Roll-Off, Temporary Clean-Up Bins, & MFD Bulky Item Collection)
2.4	Other Charges Year-One Proposed Rates

FORM 2.0: RATE REVENUE SUMMARY

		Proposer:	**ENTER PROPOSER NAME**
		Option:	**RESIDENTIAL**

Instructions: Confirm the reasonableness of total estimated first-year rate revenue (row 4, column D) based upon proposed rates and estimated service counts; and, drop box, temporary bins, and bulky items entered in forms 2.1 - 2.4.

The Estimated First-Year Rate Revenue in row 10 and Esimated Contractor Compensation in row 11 should equal - explain any variation.

	A	C	D
Row	**Service Category**		**Proposed Rate Revenue**
	Estimated Rate Revenue		
1	Residential Service Rate Revenue[1]		$5,993,688
2	MFD Service Rate Revenue[1]		$0
3	Drop-Off & Other On-Call Rate Revenue[1]		$0
4	**Estimated First-Year Rate Revenue[1]**		**$5,993,688**
	City Fees		
5	Franchise Fee [2]	4.79%	$287,000.00
6	CalRecycle Compliance Fee		$375,000
7	Residential Vehicle Impact Fee		$175,000
8	Residential Street Sweeping Fee		$175,000
9	**Total First-Year City Fees**		**$1,012,000**
10	**Estimated First-Year Rate Revenue Less City Fees**		**$4,981,688**
11	**Estimated Contractor Compensation (From Form 1.1)**		**$0**
12	**Difference Between Rate Revenue and Estimated Contractor Compensation [3]**		**$4,981,688**

NOTES

1 Includes City Fees

2 Franchise fees represent the City's value of franchise. Proposer may agree or offer a different amount.

3 The rate revenue generated by the service levels assumptions and rates proposed in Forms 2.1 through 2.4 should equal the estimated contractor compensation in form 1.1. Proposer shall explain any material difference between proposed first-year rate revenues and its estimated first-year Contractor Compensation.

FORM 2.1: SFD Year-One Proposed Rates

Proposer: ITER PROPOSER NAI

Option: RESIDENTIAL

Instructions: For Rows 1 through 5, enter proposed rates in Column B. For Rows 7 through 24, enter proposed rates for other services and charges.

Only populate green colored cells. Avoid overwriting aqua colored cells.

Single-Family Dwelling Standard Service:

Standard Service includes three (3) carts; One each for refuse, recycling, and organics. The Monthly Rate is based on the refuse cart size chosen by the customer. Customers may choose 35, 64, or 96-gallons carts for recycling and/or organics. Default sizes for all three waste streams are 64 gallon.

	A	B	C	D	E	F
Row	**Service Description**	**Monthly Rate**	**Service Count**	**Per Unit, Event, Etc.**	**Monthly Revenue**	**Annual Revenue**
1	Single-Family Dwelling - 35 gallon trash cart	$26.04	2,345.0	Unit / Month	$61,064	$732,768
2	Single-Family Dwelling - 64 gallon trash cart	$32.09	9,254.0	Unit / Month	$296,961	$3,563,532
3	Single-Family Dwelling - 96 gallon trash cart	$38.50	3,674.0	Unit / Month	$141,449	$1,697,388
4	Single-Family Dwelling - 35 gallon trash cart - senior discounted	$22.41		Unit / Month	$0	$0
5	Single-Family Dwelling - 64 gallon trash cart - senior discounted	$27.67		Unit / Month	$0	$0
6	Single-Family Dwelling - 96 gallon trash cart - senior discounted	$33.00		Unit / Month	$0	$0
7	**Total Units**		**15,273.0**			
8				**Total Proposed Rate Revenue==>**	**$499,474**	**$5,993,688**

	Service Description	**Monthly Rate**	**Per Unit, Event, Etc.**
	Single-Family Dwelling Other Services and Charges		
9	Additional charge for 35 gallon trash cart beyond (1) one. Not to exceed 20% of trash cart Row 1 Column B. [1]	$5.21	Unit / Month
10	Additional charge for 64 gallon trash cart beyond (1) one. Not to exceed 20% of trash cart Row 2 Column B. [1]	$6.42	Unit / Month
11	Additional charge for 96 gallon trash cart beyond (1) one. Not to exceed 20% of trash cart Row 3 Column B. [1]	$7.70	Unit / Month
12	Additional charge for recyclables cart beyond (2) two. Not to exceed 7% of 64 gallon trash cart Row 2 Column B. [2]	$2.25	Unit / Month
13	Additional charge for organics cart beyond (2) two. Not to exceed 20% of 64 gallon trash cart Row 2 Column B. [3]	$6.42	Unit / Month
14	Additional charge for backyard service. [4]		Unit / Month
15	Additional charge for refuse cart overage beyond two (2) annual pickup events and one (1) year-end pickup. Not to exceed 20% of trash cart Row 2 Column B. [5]	$6.42	Per Event
16	Cart Overage Charge for overflowing container upon second and subsequent occurrence in 3-month period. Not to exceed 20% of trash cart Row 2 Column B.	$6.42	Per Event
17	Bulky Item Pickup - Beyond four (4) pickup collection events per calendar year. [6]		Per Event
18	Contamination Fee upon third and subsequent occurrence in 12-month period.		Per Event
20	Damaged Cart Replacement [7]		Per Cart / Event
21	Cart Exchange after free after free-exchange period.		Per Cart / Event
25	Late Payment charge for unpaid balance per month after 75 days past due date.	1.50%	% of Monthly Balance
26	Service Reinstatement charge after suspension for non-payment	$75.00	Per Event

Row	Service Description	Monthly Rate	Service Count	Per Unit, Event, Etc.	Monthly Revenue	Annual Revenue

NOTES

1 Basic service includes one (1) cart for trash. Customers may order additional carts at an additional charge.

2 Basic service includes up to two (2) carts for recyclables. Customers may order additional recyclables carts at an additional charge. This rate will apply to any size cart.

3 Basic service includes up to two (2) carts for organics. Customers may order additional organics carts at an additional charge.

4 Contractor shall roll out and return carts for any Customer who is legally or medically recognized as disabled at no additional charge.

5 Contractor may charge for additional pickups beyond two annual pickups per calendar year and an end-of-year pickup for trash.

6 Contractor may charge for additional bulky item pickups beyond four annual pickups per calendar year. Customers may put out up to 3 cubic yards of material at each pickup event.

7 Contractor may charge for replacement of carts if due to provable negligence .

Form 2.2: Commercial/MFD Year-One Proposed Rates

Proposer: ENTER PROPOSER NAME

Option: RESIDENTIAL

Instructions: In columns B - H, enter proposed rates in green colored cells rows 1 - 13 for trash; rows 14 - 17 for trash compactors; rows 19 - 26 for recycling, rows 28 - 31 for organics, and rows 33 - 40 for other charges.

Only populate green colored cells. Avoid overwriting aqua colored cells.

Proposed Monthly Rates for Trash Containers

	A	B	C	D	E	F	G	H
Row	Container Type/Size	Frequency of Collections per Week						Additional Pick Up
		1	2	3	4	5	6	
1	70 Gal Cart	$41.31						
2	98 Gal Cart							
3	1.5 cubic yard - 1st bin	$109.74	$180.35					
4	1.5 cubic yard - each addl	$98.77	$162.31					
5	2 cubic yard - 1st bin	$125.68	$217.90	$297.89	$385.50	$477.75	$557.74	$47.98
6	2 cubic yard - each addl	$113.10	$196.10	$268.11	$346.96	$429.98	$501.96	
7	3 cubic yard - 1st bin	$155.60	$257.97	$362.11	$470.26	$576.41	$703.49	$55.56
8	3 cubic yard - each addl	$140.03	$232.14	$326.00	$423.23	$518.78	$633.15	
9	4 cubic yard - 1st bin	$197.00	$317.05	$439.84	$626.43	$749.22	$910.07	$63.17
10	4 cubic yard - each addl	$177.28	$285.34	$395.83	$563.78	$674.31	$819.08	
11	6 cubic yard - 1st bin	$235.15	$388.45	$543.72	$790.24	$943.57	$1,139.84	$73.37
12	6 cubic yard - each addl	$211.63	$349.61	$489.34	$711.23	$849.21	$1,028.87	
13								

Proposed Monthly Rates for Trash Compactors

Row	Container Type/Size	Frequency of Collections per Week						Additional Pick Up
		1	2	3	4	5	6	
14	2 cubic yard compactor							
15	3 cubic yard compactor							
16	4 cubic yard compactor							
17	6 cubic yard compactor							
18								

Proposed Monthly Rates for Recycling Containers

Row	Container Type/Size	Frequency of Collections per Week						Additional Pick Up
		1	2	3	4	5	6	
19	70 Gal Cart	$20.54	$0.00					$0.00
20	98 Gal Cart	$20.54	$0.00					$0.00
21	1.5 cubic yard - 1st bin	$54.87	$90.18	$0.00	$0.00	$0.00	$0.00	$0.00
22	1.5 cubic yard - each addl	$49.39	$81.16	$0.00	$0.00	$0.00	$0.00	$0.00
23	2 cubic yard - 1st bin	$62.84	$108.95	$148.95	$192.75	$238.88	$278.87	$23.99
24	2 cubic yard - each addl	$56.55	$98.05	$134.06	$173.48	$214.99	$250.98	$0.00
25	3 cubic yard - 1st bin	$77.80	$128.99	$181.06	$235.13	$288.21	$351.75	$27.78
26	3 cubic yard - each addl	$70.02	$116.07	$163.00	$211.62	$259.39	$316.58	$0.00
27								

Commercial/MFD Year-One Proposed Rates							
			Proposer:	ENTER PROPOSER NAME			
			Option:	RESIDENTIAL			

This subscription level were provided by the existing franchise hauler. Each Proposer must review and proposed projected subscription levels based on their own program/technology expectations.

I	J	K	L	M	N	O	P
Subscription Levels for Trash Containers							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
							0.0
							0.0
							0.0
							0.0
							0.0
							0.0
							0.0
							0.0
							0.0
							0.0
							0.0
							0.0
1.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Subscription Levels for Trash Compactors

Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
							0.0
							0.0
							0.0
							0.0
0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Subscription Levels for Recycling Containers

Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
							0.0
							0.0
							0.0
							0.0
							0.0
							0.0
							0.0
							0.0
0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Commercial/MFD Year-One Proposed Rates

Proposer:	ENTER PROPOSER NAME
Option:	RESIDENTIAL

THIS WORKSHEET WILL SELF-POPULATE - NO INPUT NECESSARY!!!!

Q	R	S	T	U	V	W	X
Proposed 1st Year Monthly Rate Revenue for Trash Containers							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal Monthly Rate Revenue for Solid Waste Bins==>							$0.00

Proposed 1st Year Monthly Rate Revenue for Trash Compactors

Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal Monthly Rate Revenue for Solid Waste Compactors==>							$0.00

Proposed 1st Year Monthly Rate Revenue for Recycling Containers

Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal Monthly Rate Revenue for Recycling Material==>							$0.00

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E	F	G	H
		Proposed Monthly Rates for Organics Containers						
Row	**Container Type/Size**	**Frequency of Collections per Week**						**Additional Pick Up**
		1	**2**	**3**	**4**	**5**	**6**	
28	70 Gal Cart	$46.81	$93.61	$140.42	$187.22	$234.03	$280.84	$0.00
29	98 Gal Cart	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
30	2 cubic yard - 1st bin	$109.74	$180.35	$0.00	$0.00	$0.00	$0.00	$0.00
31	2 cubic yard - each addl	$98.77	$162.31	$0.00	$0.00	$0.00	$0.00	$0.00
32								

		Proposed Monthly Rates for Other Services						
Row	**Service Type**	**Frequency of Collections per Week**						**Additional Pick Up**
		1	**2**	**3**	**4**	**5**	**6**	
33	Scout Service	$78.66	$187.41	$281.41	$374.83	$468.53	$562.23	
34	Container Lock Charge	$13.66						
35	Enclosure Lock Charge							
36	Pull-out Exceeding 25 feet							
37	Sunday Service - Each Service							
38	Valet Service for Carts	$6.00						
39								
40								
	NOTES							
1								
2								
3								

I	J	K	L	M	N	O	P
Subscription Levels for Organics Containers							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
							0.0
							0.0
							0.0
							0.0
0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Subscription Levels for Other Services							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		

THIS WORKSHEET WILL SELF-POPULATE - NO INPUT NECESSARY!!!!

Q	R	S	T	U	V	W	X
Proposed 1st Year Monthly Rate Revenue for Organics Containers							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal Monthly Rate Revenue for Organic Material==>							$0.00
Proposed 1st Year Monthly Rate Revenue for Other Services							
Frequency of Collections per Week						**Additional Pick Up**	**Total**
1	**2**	**3**	**4**	**5**	**6**		
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal Monthly Rate Revenue for Other Services==>							$0.00
Total Proposed Monthly Rate Revenue==>							$0.00
Total Proposed Annual Rate Revenue==>							$0.00

Form 2.3: Roll-Off & On-Call Service Year-One Proposed Rates

	Proposer:	ENTER PROPOSER NAME				
	Option:	RESIDENTIAL				

Instructions: Enter proposed rates for roll-box and compactor service, disposal and processing, temporary bins service and bulky item collection in column B and assumed service subscriptions in column D.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C	D	E	F
Row	**Container Size/Type**	**Customer Rate**		**Service Count**		**Estimated Rate Revenue**
	Roll-Off Box Hauling Service					
1	Roll off boxes and compactors (all sizes). Includes delivery and removal.		per haul		# of pulls	$0
3	**Subtotal Roll-Off Service**			0.0	# of pulls	$0
	Roll-Off Disposal/Processing & Other Fees					
5	Solid waste processing (MRF) [1]		per ton		# of tons	$0
9	C&D processing [2]		per ton		# of tons	$0
10	Redelivery/Return trip/Dry run		per event		# of events	$0
11	Daily rental after 7 days with no dump		per day		# of days	$0
12	Relocation fee		per event		# of events	$0
13			per event		# of events	$0
14	**Subtotal Roll-Off Disposal/Processing**			0.0		$0
15	**Total Roll-Off Revenue**					$0
	Temporary Bin					
16	3YD Bin - deliver, pickup and one dump		per event		# of events	$0
17	3YD Bin additional dump		per event		# of events	$0
18	6YD Bin - deliver, pickup and one dump		per event		# of events	$0
19	6YD Bin additional dump		per event		# of events	$0
20	Daily rental after 7 days		Per Day		# of Days	$0
	MFD Bulky Item Collection					
21	Bulky Item Pickup - beyond four (4) pickup collection events per year.		Per event		# of events	$0
24	**Total Annual Rate Revenue**					**$0**

NOTES

1 State percentage recovery minimum in proposal.

2 75% minimum diversion.

Form 2.4: Other Charges and Fees Year-One Proposed Fees

Proposer: **ENTER PROPOSER NAME**

Option: **RESIDENTIAL**

Instructions: Enter proposed rates charges and fees in column B.

Only populate green colored cells. Avoid overwriting aqua colored cells.

	A	B	C
Row	**Description**	**Fee**	
1	Bin cleaning bin fee beyond one (1) per per year.		per event
2	Bin Enclosure clean-out fee due to overflowing containers.		per event
3	Bin Exchange beyond once per Agreement Year		per event
4	Bin Contamination Fee upon third and subsequent occurrence in 12-month period.		per event
5	Emergency Service - 1 Crew & 1 Truck		per hour
6			
7			
8			
9			
10			
11			
12			

PROPOSAL OUTLINE

Proposers must follow the outline below when completing their proposals. Under each section, proposer must include all information as outlined below, including all subheadings and subsections as identified in RFP Section 5 – Submittal Requirements.

General Requirements
  i. Title Page
  ii. Cover Letter
  iii. Table of Contents

2. Proposer Overview
    1. Business Structure
    2. Proposer's Experience
    3. Key Personnel Qualifications
    4. Proposer's Past and Pending Litigation
    5. Financial Information
    6. Insurance

3. Proposal for Solid Waste Services
    1. Collection Services Approach
    2. Customer Service Center
    3. Implementation Plan
    4. AB 341, AB 1826, and SB 1383 Implementation Plan
    5. Food and Rescue Donation Program
    6. Organics Waste Recycling Program
    7. Recyclable Materials
    8. Procurement of Received Organic Waste Products
    9. Proposed Operation Facilities
    10. Proposed Disposal, Transfer, and Processing Facilities

4. Displaced Employee Retention

5. Exceptions to the Agreement

6. Rate Proposals
    1. Residential Sector Rate Proposal
    2. Commercial Sector Rate Proposal
    3. City-Wide Rate Proposal
    4. Alternative Rate Proposal(s)

7. Proposer Code of Conduct

Subject: City of Diamond Bar RFP Addendum #1 - June 12, 2023
From: Enrique Vazquez <enrique@sloanvazquez.com>
Date: 6/12/2023, 3:16 PM
To: "Quiroa, Lily" <LQuiroa@wm.com>, David Perez <DavidPerez@zerepmanagement.com>, Jesse Quintana <JesseQuintana@zerepmanagement.com>
CC: 'Alfa Lopez' <ALopez@DiamondBarCA.Gov>

Lily Quiroa - WM,
David Perez - VVS,

Attached is addendum #1 to the RFP. It includes the following;

1. Draft Franchise Agreement: Attachment 1
2. The Rate Adjustment Procedure is now included in the Draft Agreement.
3. Updated RFP: Changes in the RFP mostly reflect updated references to sections of the franchise agreement. A version of entire RFP with the updates shown in track changes is also included.
4. An updated RFP schedule.

The deadline to submit questions is now July 10, 2023 by 5:00 p.m. If you've already submitted questions you are welcome to submit additional questions. All questions already submitted will be responded to in writing.

Please acknowledge receipt of this addendum.

Thank you all for your participation.

Regards,

--
Enrique Vazquez
Sloan Vazquez McAfee
626-347-3226
www.sloanvazquez.com

Attachments:

DB RFP Addendum #1.pdf	253 KB
DB RFP Addendum #1-Entire RFP.pdf	492 KB
Diamond Bar Draft Agreement.docx	350 KB
Exhibit 2A Rate Adjustment Procedure -SFD Carts.pdf	167 KB
Exhibit 2B Rate Adjustment Procedure -Bins.pdf	167 KB
Exhibit 2C Rate Adjustment Procedure -Roll-Off Boxes.pdf	144 KB
Exhibit 2D Rate Adjustment Procedure -Other.pdf	123 KB
Exhibit 2E Example Index Calculation.pdf	154 KB
Exhibit 6 Corporate Guaranty.pdf	147 KB

Exhibit 7 - Contractor's Faithful Performance Bond.pdf	95.8 KB
Rate Adjustment Procedure.xlsx	34.3 KB

REQUEST FOR PROPOSALS

FOR

SOLID WASTE SERVICES

ADDENDUM #1

Issued by

CITY OF DIAMOND BAR CALIFORNIA

Prepared by:

SloanVAZQUEZMCAFEE
MUNICIPAL SOLID WASTE ADVISORS

3002 Dow Avenue, Suite 116, Tustin, CA 92780
Office: 866.241.4533
info@sloanvazquez.com · *www.sloanvazquez.com*

Contact: Enrique Vazquez
enrique@sloanvazquez.com
626-347-3226

June 12, 2023

THIS ADDENDUM #1 ISSUED JUNE 12, 2023 REFLECTS THE FOLLOWING UPDATES:

1) **Updated RFP:** The references in the RFP have been updated to reflect the final structure of the Draft Franchise Agreement.

   To facilitate locating the specific updates made to the RFP, the original RFP version with tracked changes is included with this Addendum #1.

2) **Updated Schedule:** The RFP schedule has been updated to allow adequate time to respond to the RFP.

3) **Attachment #1:** The Draft Franchise Agreement is included as Attachment 1.

4) **Attachment #7:** The Rate Adjustment Methodology has been included in the Draft Franchise Agreement Article 10 and Exhibit 2.

SUMMARY OF UPDATES

Table 1 has been updated to reflect the updated schedule as follows:

Table 1 – Updated RFP Schedule

Milestones	Date
City issues RFP	May 3, 2023
Mandatory pre-proposal meeting at 10:00 a.m.	May 10, 2023
Distribution of Addendum #1	June 12, 2023
Deadline to submit written questions by 5 p.m.	July 10, 2023
Distribution of Addenda	July 20, 2023
Proposals Due no later than 4 p.m.	August 30, 2023
Option to Release RFP to Public	October 19, 2023
Evaluation Results Reported to City Council	December 20, 2023
Final Selection and Approval	January 16, 2023
Contractor commences providing services	September 1, 2025

Note: The City reserves the right to modify this schedule as needed.

The attachments under Section 2: Background Information now includes the following;

- Attachment 1 is the Draft Agreement.
- Attachment 7 This attached has been rescinded. The Rate Adjustment Methodology is now included in the Draft Franchise Agreement.

The following reflect other updates in the RFP including updated references to the draft agreement to reflect the final structure of the Draft Franchise Agreement and a change in the RNG use in Vehicles.

SECTION 3: C&D DEBRIS SERVICES.

All loads of mixed C&D debris shall be delivered to a processing facility to meet all requirements described in draft Agreement Section ~~3.7~~5.2.4. Contractor shall divert from landfilling a minimum of 75% or the State-mandated Construction and Demolition diversion percentage, whichever is greater, of all Construction and Demolition Debris Collected.

SECTION 3: CITY COLLECTION SERVICES:

City Facilities Collection: Collect and dispose of all refuse, recyclables, and organics generated and accumulated at premises owned and/or operated by the City at no additional charge (including e-waste, and construction and demolition debris) and in compliance with AB 341, AB 1826, and SB 1383. Such premises include, but are not limited to, offices, parks, and street maintenance operations. See Attachment 4 for the current list of facilities and service levels.

These facilities and service levels may vary over the term of the new agreement, with no increase in compensation for additional collection services. (Refer to draft Agreement Section 3.7~~3.8~~.)

SECTION 3: KEY CONTRACT TERMS

Environmental Coordinator: To achieve a high level of recycling public education and awareness, the Contractor shall designate an Environmental Coordinator to the City to complete outreach to SFD, MFD and Commercial customers, and develop and implement all public education and outreach activities required under the Agreement. The Recycling Coordinator shall conduct outreach, promote waste reduction, recycling, diversion programs, and provide technical assistance to Multi-family and Commercial Customers. The Environmental Coordinator shall not be the primary Contractor liaison described in draft Agreement Section ~~7.16B~~4.4.9.

SECTION 3: INSURANCE

The selected Contractor is required to maintain minimum insurance levels. See draft Agreement Section 11.8 ~~Article 9~~ for the minimum limits of insurance for general liability, automobile liability, and workers compensation.

SECTION 3: COLLECTION VEHICLE REQUIREMENTS

Contractor's collection vehicles shall be not older than two-years and in like-new condition upon initiation of services under the Agreement, no more than 10 years of age during the initial term of the Agreement and no older than 15-years in age during any future extensions of the Agreement, and comply with Department of Transportation, South Coast Air Quality Management District and the California Air Resource Board requirements. Contractor's collection vehicles must use only ~~renewable natural gas~~gas alternative fuel. See draft Agreement Section 4.2.2.D~~3.10.4~~. Proposers must address their ability to assist the City comply with SB 1383 RNG procurement obligations with the use of RNG powered collection vehicles.

SECTION 3: FEES

Franchise Fee: Contractor shall pay a Franchise Fee that is commensurate with the value to be received by Contractor in receiving the exclusive right to provide the service set forth herein. The City concludes that a reasonable and appropriate amount for the benefits provided should be a minimum of Four-Hundred Ten-Thousand Dollars, ($410,000), in the first year. This payment to the City shall be referred to as a Franchise Fee and its percentage will be calculated according to estimated gross receipts from customers as shown in Form 2.0 Rate Revenue from Attachment 6 Rate Proposal Forms. (See draft Agreement Section ~~9~~7.1). Should the City issue separate franchises for Residential and Commercial services, the commercial franchise fee shall be a minimum of One-Hundred Twenty-Three Hundred Dollars ($123,000) and the residential franchise fee shall be a minimum of Two-Hundred Eighty-Seven Thousand Dollars ($287,000).

CALRECYCLE Compliance Fee: Contractor shall pay to the City a CalRecycle Compliance Fee of Seven-Hundred Fifty Thousand Dollars ($750,000) adjusted annually as described in draft Agreement Section ~~9~~7.2 and ~~9.7~~7.6. The CalRecycle Compliance Fee amount represents a reasonable allocation of the City's budgeted costs to comply with State mandates resulting from the enactment of AB 939 and subsequent related legislation including, but not limited to: AB 2176 (Chapter 879, Statutes of 2004), SB 1016 (Chapter 343, Statutes of 2008), AB 341 (Chapter 476, Statutes of 2011), AB 1826 (Chapter 727, Statutes of 2014), and SB 1383 (Chapter 395, Statutes of 2016) which require jurisdictions to implement solids waste Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements. Should the City issue separate franchises for Residential and Commercial services, each franchisee shall pay a minimum CalRecycle fee of Three-Hundred Seventy-Five Thousand Dollars ($375,000).

Residential Vehicle Impact Fee: Contractor shall pay to the City an annual Vehicle Impact Fee of One-Hundred Seventy-Five Thousand Dollars ($175,000) adjusted annually as described in draft Agreement Section ~~9.4~~7.3 and ~~9.7~~7.6. The Residential Vehicle Impact Fee is to reimburse the City for costs to provide road maintenance to City's streets due to "wear and tear" caused by the use of Contractor's Solid Waste Collection vehicles on City Streets. Should the City issue separate franchises for Residential and Commercial services, only the residential franchisee shall pay the Residential Vehicle Impact Fee.

<u>Residential Street Sweeping Fee</u>: Contractor shall pay to the City an annual Street Sweeping Fee of One-Hundred Seventy-Five Thousand Dollars ($175,000) adjusted annually as described in draft Agreement Section ~~9.5~~7.4 and ~~9.7~~7.6. The Residential Street Sweeping Fee is to reimburse the City for the cost of sweeping residential streets. Should the City issue separate franchises for Residential and Commercial services, only the residential franchisee shall pay the Residential Street Sweeping Fee.

SECTION 3: CUSTOMER RATE ARRANGEMENTS

The rate schedules establish the maximum rates that may be charged. Initial rates will be set based on the rates proposed in Attachment 6. The rates will thereafter be adjusted using a rate adjustment procedure described in Article 10~~8~~ of the draft Agreement. The first rate adjustment is effective July 1, 2026.

SECTION 5: 2.4 PROPOSER'S PAST AND PENDING LITIGATION

List all civil or misdemeanor or felony criminal court or administrative filings by and/or against California government agencies that are currently pending and/or that have been filed, settled or otherwise received a disposition within the last ten years that relate to the provision of solid waste service listing the names of the parties, the case number, and a brief description of the case and disposition, if any. This paragraph is applicable to the following persons and entities:

- The key personnel
- The owners and officers of the company
- The entity submitting the proposal; and/or,
- Any parent or affiliated company for actions filed in the State of California (For affiliates, proposer may limit disclosures of non-criminal matters to those in the Los Angeles County.
- Any strategic partners or subcontractors identified in RFP.
- Include the resolution and current status of each civil legal action.

Note: The term "affiliate" as used in this RFP is defined in ~~Article~~ Section 1.1 of the Agreement.

SECTION 5: 2.6 INSURANCE

Proposer must submit evidence that the proposer either has, or is able to obtain, the insurance coverage required in the draft Agreement Section 11.8~~9~~.

SECTION 5: 3.1 COLLECTION SERVICES APPROACH

- Container requirements are described in draft Agreement Section ~~7.10~~4.3. Proposer shall supply complete technical data and manufacturing specifications on the specific cart, bins and Drop Boxes being used.

REQUEST FOR PROPOSALS

FOR

SOLID WASTE SERVICES

Updated to Reflect Addendum #1

July 12, 2023

Issued by

CITY OF DIAMOND BAR CALIFORNIA

Prepared by:

SloanVAZQUEZMcAFEE
MUNICIPAL SOLID WASTE ADVISORS

3002 Dow Avenue, Suite 116, Tustin, CA 92780
Office: 866.241.4533
info@sloanvazquez.com · *www.sloanvazquez.com*

Contact: Enrique Vazquez
enrique@sloanvazquez.com
626-347-3226

Original Issue Date: May 3, 2023

tABLE OF cONTENTS

LIST OF TABLES

SECTION 1 - INTRODUCTION

OVERVIEW OF REQUEST FOR PROPOSAL

The City of Diamond Bar (City) is soliciting proposals from Waste Management and Valley Vista Services to provide solid wastes services to include the collection, transportation, recycling, processing, and disposal of solid waste.

Currently, solid waste services are provided under a Residential Cart Customer Franchise Agreement with Waste Management (WM) and a Commercial Bin and Roll-Off Box Franchise Agreement with Valley Vista Services (VVS).

WM provides collection services to residential premises that receive residential collection using carts and for temporary roll-off box and temporary bin collection service for cleanup or construction work performed at residential customers to whom WM provides collection service using carts. Temporary collection service for the construction of new residences, and all work on commercial premises, and residential premises that receive collection service using bins, are excluded from WM's franchise agreement.

VVS provides collection services to commercial premises and all residential premises that receive collection using bins and including temporary bin and temporary roll-off box collection service with the exclusion of residential premises that receive collection service using carts.

By issuing this Request for Proposals (RFP) for solid waste services, the City is competitively procuring franchised solid waste services. VVS and WM are exclusively invited to present a proposal to provide solid waste service to their respective service area under the existing franchise agreements as well as a proposal to provide City-wide solid waste services including residential, commercial, and permanent roll-off and on-call services. Should the City determine that proposals received from VVS and WM are inadequate to meet the City desired goals, the City reserves the right to invite additional proposers prior to making a final decision in the selection of a contractor or contractors.

A key point of reference is the Draft Solid Waste Services Franchise Agreement (Agreement) included as Attachment 1. The Agreement provides definitions, contract terms, and conditions, including a complete description of the services to be provided. If there are differences between this RFP and the Agreement, the terms and conditions in the Agreement shall prevail.

PROPOSAL CLARIFICATIONS AND UPDATES

Proposers wishing to receive answers to questions and other RFP addenda must register by providing contact name, company name, address, e-mail address, and phone number via email to DiamondBarRFP@sloanvazquez.com. All Questions regarding this RFP shall be submitted to the City's

Consultant to DiamondBarRFP@sloanvazquez.com (see RFP Section 5 – Proposal Submittal Requirements.)

Only written responses will govern. Written questions may not be accepted after the date shown in the schedule in Table 1. However, simple questions regarding how to complete submittal forms or otherwise complete the proposal requirements, may be submitted via email until the proposal due date.

CITY GOALS AND OBJECTIVES

The City's goals and objectives for the RFP process and future collection services are as follows:

INTEGRITY, COMPETITION IN SELECTION PROCESS, AND CONTRACT TERMS CONSISTENT WITH CALRECYCLE COMPLIANCE REQUIREMENTS

- Conduct the RFP process with integrity and transparency.
- Stimulate competition among proposing companies.
- Set high performance standards.
- Ensure value for ratepayers.
- Enter into a contract with fair terms and conditions.

QUALITY, HIGH-VALUE PROGRAMS

- Consistent, reliable, and quality service.
- Efficient service delivery that provides a strong value to the ratepayers.
- Responsive customer service system.
- Well-planned and professionally executed transition to any new programs and services.
- Quality outreach and education.
- Effective diversion programs to ensure compliance with regulations.

ORGANIZATION OF RFP

This RFP is organized into six sections as follows:

- Section 1 provides a brief introduction to the RFP.
- Section 2 provides background information.
- Section 3 presents the scope of required services.
- Section 4 provides the RFP policies, conditions, and process.
- Section 5 describes the RFP submittal requirements.
- Section 6 outlines the proposal evaluation process.

RFP SCHEDULE

The key activities and completion dates for the RFP process are provided in Table 1.

Table 1 – RFP Schedule

Milestones	Date
City issues RFP	May 3, 2023
Mandatory pre-proposal meeting at 10:00 a.m.	May 10, 2023
Distribution of Addendum #1	June 12, 2023
Deadline to submit written questions by 5 p.m.	~~May 24~~July 10, 2023
Distribution of Addenda	~~May 31~~July 20, 2023
Proposals Due no later than 4 p.m.	~~June 19~~August 30, 2023
Option to Release RFP to Public	~~August 6~~October 19, 2023
Evaluation Results Reported to City Council	~~October 9~~December 20, 2023
Final Selection and Approval	~~November 14~~January 16, 2023
Contractor commences providing services	September 1, 2025

Note: The City reserves the right to modify this schedule as needed.

SECTION 2 - BACKGROUND

BACKGROUND INFORMATION

The information presented in this section and the related Attachments listed below are for informational purposes only. Each proposer should take whatever steps it believes are necessary to determine the actual service requirements of the City and understand service conditions when preparing a proposal. The following is a list of Attachments providing reference information for proposers (Attachments 2 and 6 are for completion and submittal with the proposal):

- Attachment 1 is the Draft Agreement.
- Attachment 2 is the Proposer Code of Conduct and Non-Collusion Affidavit.
- Attachment 3 provides Service Data.
- Attachment 4 provides Current Rates for solid waste services.
- Attachment 5 provides a list of City Facilities.
- Attachment 6 provides the Rate Proposal Forms.
- Attachment 7 provides Rate Adjustment Methodology.
- Attachment 8 provides the Proposal Outline.

SERVICE DATA

Service data including a description of the service area, rate revenue, tonnage collected, units serviced and the most recent rates effective July 1, 2022, are shown in Attachment 3.

TERM OF NEW AGREEMENT OR AGREEMENTS

The initial term of the new agreement is ten (10) years. City may, in its sole discretion, authorize an extension of up to twenty-four (24) months prior to the expiration of the initial term of the agreement.

The City anticipates exercising its option to extend the current Agreements for an additional twenty-four (24) months setting their expiration to August 31, 2025. The new Agreement(s) will take September 1, 2025.

SECTION 3 - SCOPE OF REQUIRED SERVICES

This section provides a brief description of the services solicited through this RFP. The Agreement provides the detailed scope of services. The Agreement is included as Attachment 1. **The Agreement provides definitions, contract terms and conditions, performance standards, including a complete description of the services required by the City. If there are differences between this RFP and the Agreement, the terms and conditions in the Agreement shall prevail.**

SINGLE-FAMILY DWELLING (SFD) SOLID WASTE SERVICES

Under the current agreements, residential solid waste service includes services to residential premises that receive solid waste services using carts but excludes temporary solid waste collection services for construction of new residences, and all work on commercial premises, and residential premises that receive collection services with bins which are addressed under the commercial solid waste services agreement.

Under this RFP, residential solid waste service includes services to single-family dwellings (SFD) and multi-family dwellings (MFD) of less than five units regardless of container size, type (cart, bin, roll-off box) required for service, including roll-off services, permanent, temporary, and on-call, and on-call clean-up bins. MFDs of five or more units are included under commercial solid waste services.

Refer to draft Agreement Section 3.2 for a complete description of service requirements for Residential services.

Standard Cart Service: Standard cart service will be the weekly, automated collection of refuse, recycling, and organics. The default cart size for each waste stream shall be 64-gallons. Customers may request different size carts for each waste stream. Carts shall be offered in 35, 64, and 96-gallon cart sizes. The monthly rate shall be based on the refuse cart size. Recycling and organics carts shall be collected on the same day as refuse collection.

Additional refuse carts beyond one may be requested for an additional monthly fee. Customers may request a second recycling cart at no additional charge. Additional recycling carts beyond two are subject to an additional monthly fee. Customers may request a second organics cart at no additional charge. Additional organics carts beyond two are subject to an additional monthly fee.

MFDs of Less Than Five Units: MFDs of less than five may be provided solid waste services (refuse, recycling, and organics collection) using carts or bins as appropriate for the conditions, requirements, and needs of the customer.

Refuse Cart Overage: Provide two annual pickups per calendar year and an end-of-year pickup for refuse that would otherwise be placed in the refuse cart but excluding bulky items, at no additional charge. Each annual pickup may consist of up to the equivalent of three (3) large bags, boxes, or barrels of refuse. End-of-year pickup of all additional refuse that is placed out for collection in the customer's own containers (bags, boxes, barrels, etc.) for two weeks beginning each December 26. Contractor may charge an additional fee per pickup of all refuse that does not fit in the refuse cart(s) beyond the free pickups.

Backyard Service: Provide backyard service defined as retrieving for collection all carts, green waste bundles and cart overages from a customer's designated collection location, other than curbside, such as backyard, side yard, or driveway, and returning empty carts and other containers to their original location. Backyard service is subject to an additional charge.

Backyard Service for the Disabled: Provide backyard service at no additional charge to any customer who is legally or medically recognized as disabled. See RFP Section 3 – Residential Rate Arrangements).

Temporary Roll-Off and Temporary Bin Service: Provide temporary roll-off box and temporary bin service upon customer request for cleanup or construction.

On-Call Bulky Item: Provide bulky item pickup service to all SFD and MFD. Each Dwelling Unit shall be entitled to four bulky item pickups per calendar year at no additional charge. Customers may put out up to three (3) cubic yards of material at each pickup. Bulky item collections that exceed the number of free pickups may be subject to an additional charge.

Door-to-Door HHW Collection: Provide SFD and MFD customers with door-to-door call-in HHW collection. Each Dwelling Unit shall be entitled to two door-to-door Residential HHW pickups per calendar year at no additional charge. Items to be collected include, at a minimum: paint and paint products including but not limited to thinners, glues, caulking, stains, wood preservatives and strippers; universal waste, household cleaners; automotive wastes; swimming pool chemicals; garden chemicals; fluorescent tubes; thermometers; and household batteries. Contractor may direct residential customers to use the bulky item pickup option for televisions, computers and other HHW that may safely and legally be collected as bulky items.

Annual Household Hazardous Waste Event: Assist the City in increasing awareness of Household Hazardous Waste events by promoting the Los Angeles County Household Hazardous Waste collections held in Diamond Bar. Promotional activities will include posting on contractor's website, inclusion in the annual brochures/ mailings mailed to each Customer, billing inserts, social media targeted outreach, and press releases to local news outlets.

Curbside Used Oil and Oil Filter Collection: Collect used oil placed curbside beside solid waste container on regular collection day at no additional charge. Educate customers to place used oil in clean containers and used oil filters in clean zip-lock bags.

Sharps Mail Back Program: Operate a mail-based program and/ or a drop-off program for the safe processing of Sharps generated by its customers. Upon request, Sharps containers will be delivered directly to residential customers at no cost to the customer or City. Contractor will make arrangements with pharmacies and/ or other locations throughout the City for residents to drop-off Sharps at no cost to the Customer or City.

Medication Takeback Program: Assist the City in increasing awareness of medication takeback programs provided by the Los Angeles County Sheriff's station and any third-party events held in Diamond Bar. Promotional activities will include posting on contractor's website, inclusion in the annual brochures/mailings mailed to each residential customer, billing inserts, social media targeted outreach, and press releases to local news outlets.

FreeCycle.com: Contractor will publicize to residential customers its free materials exchange/ gifting program, known as FreeCycle.org, and shall promote FreeCycle.org on Contractor's website, and the annual brochure/mailings.

Annual Holiday Tree Recycling Collection: Provide collection of holiday trees from December 26 through the second Sunday in January.

Compost Giveaway: Distribute coupons through quarterly billings entitling residential customers to receive two bags of compost per event at two community events per year to be identified by City.

COMMERCIAL SOLID WASTE SERVICES (INCLUDING MULTIFAMILY PREMISES OF 5 OR MORE UNITS)

Under the current agreements, commercial solid waste service includes services to commercial premises and residential premises that receive solid waste services using bins, including temporary bin and temporary roll-off box collection service with the exclusion of residential premises that receive solid waste services using carts. Under this RFP, commercial solid waste services include services to commercial premises and MFDs of five or more units regardless of the container size and type (cart, bin, roll-off box) required for service, including roll-off services, permanent, temporary, and on-call clean-up bins. MFDs of less than five units are included under residential solid waste services.

Refer to draft Agreement Section 3.3 for a complete description of service requirements for commercial and MFDs.

Refuse Collection: Provide refuse collection using bins or carts as frequently as scheduled by the customer, but not less than once per week and more frequently if required to handle the solid waste generated at the premises where the bins are located.

Recycling Collection: Provide source-separated recycling collection using bins or carts as to all locations that are required to subscribe to organics collection by AB 341. Recycling services shall be provided at a rate not to exceed 50% of the equivalent refuse rate for similar container sizes and service frequency.

Organics Collection: Provide source separated organics collection using bins or carts to all locations that are required to subscribe to recycling collection by AB 1826 and SB 1383. Organics services shall be provided at a rate not to exceed the equivalent refuse rate for similar container sizes and service frequency.

Bin Pushout Service: Provide pushing or rolling containers to the point of collection to locations that require such service at no additional charge.

Scout Service: Offer scout service by using a small vehicle either to move containers to street or other public right-of-way for Collection.

Locking Bins: Provide the hasp and lock and service the lock.

Permanent Roll-Off Box Service: Rates shall be charged as "pull plus dump", a set rate for the service component plus the per ton charge based on actual tonnage collected.

Temporary Roll-Off and Temporary Bin Service: Provide temporary roll-off box and temporary bin service upon customer request for cleanup or construction. Contractor must deliver a temporary roll-off box within forty- eight (48) hours of request (Saturdays and Sundays excluded).

Temporary Bin Service: Rates shall be charged as "bin delivery/pickup plus one dump." Additional charges may include, additional dump, and rental fee after seven (7) days with no dump or bin pickup. Contractor must deliver a temporary bin within forty- eight (48) hours of request (Saturdays and Sundays excluded).

On-Call Bulky Item: Provide bulky item pickup service to MFDs. Each dwelling unit is allowed up to four bulky item pickups per calendar year at no additional charge. Customers may put out up to three (3) cubic yards of material at each pickup. Bulky item collections that exceed the number of free pickups may be subject to an additional charge.

Electronic Waste: For MFD, E-Waste will be collected as bulky items.

Door-to-Door HHW: Provide MFDs door-to-door call-in HHW collection service to each dwelling unit at no additional charge. Items to be collected include, at a minimum: paint and paint products including but not limited to thinners, glues, caulking, stains, wood preservatives and strippers; universal waste, household cleaners; automotive wastes; swimming pool chemicals; garden chemicals; fluorescent tubes; thermometers; and household batteries. Televisions, computers and other HHW may be collected as bulky items when safe and legal to do so.

Annual Holiday Tree Recycling: Provide MFD's collection of holiday trees from December 26 through the second Sunday in January.

C&D DEBRIS COLLECTION SERVICES

All loads of mixed C&D debris shall be delivered to a processing facility to meet all requirements described in draft Agreement Section ~~3.7~~5.2.4. Contractor shall divert from landfilling a minimum of 75%

or the State-mandated Construction and Demolition diversion percentage, whichever is greater, of all Construction and Demolition Debris Collected.

CITY COLLECTION SERVICES

City Facilities Collection: Collect and dispose of all refuse, recyclables, and organics generated and accumulated at premises owned and/or operated by the City at no additional charge (including e-waste, and construction and demolition debris) and in compliance with AB 341, AB 1826, and SB 1383. Such premises include, but are not limited to, offices, parks, and street maintenance operations. See Attachment 4 for the current list of facilities and service levels.

These facilities and service levels may vary over the term of the new agreement, with no increase in compensation for additional collection services. (Refer to draft Agreement Section 3.7~~3.8~~.)

City-Sponsored Events: Provide refuse, recyclables, and organics collection using carts, bins, roll-off boxes, cardboard boxes with liners, or other such containers at no charge at City–sponsored events. These events and service levels may vary over the term of the new agreement, with no increase in compensation for additional collection services.

Should the City select separate contractors for the residential and commercial sectors, the City intends to alternate events between the two contractors with no guarantee that events will be evenly distributed based upon either level of effort or number of events.

City-sponsored events include, but are not limited to:

- Concerts in the Park
- City Birthday Celebration
- Fourth of July
- Fall Fun Festival
- Winter Snow Festival
- Arbor Day
- Easter Egg Hunt

Abandoned Item Collection: Provide collection of bulky waste abandoned in the City right-of-way or other public property within contractor's service at no additional charge, within one business day of notification from City. Contractor will not be required to Collect Hazardous Waste, liquid wastes, or automobile parts that are individually too large for Collection by two people. City will contact either the residential or commercial franchisee to provide this service, depending on the location of the abandoned item.

Community Development Review Services: Review building permit applicants' plans and advise regarding adequacy of container storage space and access, particularly to accommodate recycling and organics containers upon the City's request and at no additional charge to the City.

Large Venue Event Assistance, Event Recycling: Assist planners of large venue events with reporting and planning needs as may be useful in meeting the requirements of AB 2176, found at California Public Resources Code 42648, et seq. at no additional charge. Contractor shall provide recycling and organics collection services upon request to special event planners.

Confiscation of Unauthorized Containers: Confiscate illegal containers located within the City's public rights~~s~~-of-ways~~s~~, upon notification from City, or if Contractor finds illegally placed Containers based on procedure provided in the franchise agreement.

Provision of Storage Containers: Provide the City with eleven 40-cubic-yard portable storage containers to be used for storage at City facilities and schools for the duration of the Agreement. Containers will be maintained in a condition satisfactory to the City. Contractor may transfer ownership of these storage containers to City, provided Contractor will remove and dispose of these containers when requested to by City.

Emergency Collection and Disposal Service: Assist City at the City's request with emergency Collection and Disposal service in the event of major disaster, such as an earthquake, storm, riot, or civil disturbance, or as otherwise determined necessary by the City, by providing Collection equipment and drivers normally assigned to City. Contractor may charge City for actual Disposal costs plus service rates per the approved rate schedule.

KEY CONTRACT TERMS

STATE DIVERSION COMPLIANCE

The selected contractor will ensure that the City is in full compliance with AB 939, AB 901, AB 341, AB 1594, AB 1826, and SB 1383, and all related state laws and regulations in effect during the term of the Agreement.

Requirements include, but are not limited to the following:

Collection, Processing and Diversion Programs and Services: The Contractor will provide collection, processing and diversion programs and services relative to AB 939, AB 901, AB 341, AB 1594, AB 1826, SB 1383, and all future applicable regulations.

Public Education and Outreach: The Contractor will provide public education to residents and businesses relative to AB 939, AB 901, AB 341, AB 1594, AB 1826, SB 1383, and all future applicable regulations. Proposers must describe their proposed public education and outreach commitments in their AB 341, AB 1826, SB 183 Implementation Plan.

Container Specifications and Distribution: The selected contractor will be responsible for providing and maintaining all containers under this agreement. Carts shall be new upon initiation of services under the Agreement, and bins may be new or used. All carts and bins will be color-coded and labeled to be compliant with SB 1383.

Diversion Monitoring and Reporting: The Contractor will provide monitoring and reporting relative to AB 939, AB 901, AB 341, AB 1594, AB 1826, SB 1383, and all future applicable regulations.

Environmental Coordinator: To achieve a high level of recycling public education and awareness, the Contractor shall designate an Environmental Coordinator to the City to complete outreach to SFD, MFD and Commercial customers, and develop and implement all public education and outreach activities required under the Agreement. The Recycling Coordinator shall conduct outreach, promote waste reduction, recycling, diversion programs, and provide technical assistance to Multi-family and Commercial Customers. The Environmental Coordinator shall not be the primary Contractor liaison described in draft Agreement Section ~~7.16B~~4.4.9.

FAITHFUL PERFORMANCE BOND & LETTER OF CREDIT

The selected contractor will be required to provide a performance bond totaling $125,000 and a performance Letter of Credit $125,000. As an alternative, the selected contractor may provide a Letter of Credit in the amount of $250,000, or deposit funds, on terms satisfactory to the City, in an interest-bearing account.

INSURANCE

The selected Contractor is required to maintain minimum insurance levels. See draft Agreement Section 11.8 ~~Article 9~~ for the minimum limits of insurance for general liability, automobile liability, and workers compensation.

COLLECTION VEHICLE REQUIREMENTS

Contractor's collection vehicles shall be not older than two-years and in like-new condition upon initiation of services under the Agreement, no more than 10 years of age during the initial term of the Agreement and no older than 15-years in age during any future extensions of the Agreement, and comply with Department of Transportation, South Coast Air Quality Management District and the California Air Resource Board requirements. Contractor's collection vehicles must use only ~~renewable natural gas~~gas alternative fuel. See draft Agreement Section 4.2.2.D~~3.10.4~~. Proposers must address their ability to assist the City comply with SB 1383 RNG procurement obligations with the use of RNG powered collection vehicles.

AUTOMATED CART REQUIREMENTS

All carts shall be new at the start of service under this agreement. Proposer shall describe carts which it intends to use in the City, pending City approval. Include manufacturer, specific sizes, SB 1383 compliance, colors of carts and lids by waste stream, and a photograph.

FEES

Franchise Fee: Contractor shall pay a Franchise Fee that is commensurate with the value to be received by Contractor in receiving the exclusive right to provide the service set forth herein. The City concludes that a reasonable and appropriate amount for the benefits provided should be a minimum of Four-Hundred Ten-Thousand Dollars, ($410,000), in the first year. This payment to the City shall be referred to as a Franchise Fee and its percentage will be calculated according to estimated gross receipts from customers as shown in Form 2.0 Rate Revenue from Attachment 6 Rate Proposal Forms. (See draft Agreement Section ~~9~~7.1). Should the City issue separate franchises for Residential and Commercial services, the commercial franchise fee shall be a minimum of One-Hundred Twenty-Three Hundred Dollars ($123,000) and the residential franchise fee shall be a minimum of Two-Hundred Eighty-Seven Thousand Dollars ($287,000).

CALRECYCLE Compliance Fee: Contractor shall pay to the City a CalRecycle Compliance Fee of Seven-Hundred Fifty Thousand Dollars ($750,000) adjusted annually as described in draft Agreement Section ~~9~~7.2 and ~~9.7~~7.6. The CalRecycle Compliance Fee amount represents a reasonable allocation of the City's budgeted costs to comply with State mandates resulting from the enactment of AB 939 and subsequent related legislation including, but not limited to: AB 2176 (Chapter 879, Statutes of 2004), SB 1016 (Chapter 343, Statutes of 2008), AB 341 (Chapter 476, Statutes of 2011), AB 1826 (Chapter 727, Statutes of 2014), and SB 1383 (Chapter 395, Statutes of 2016) which require jurisdictions to implement solids waste Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements. Should the City issue separate franchises for Residential and Commercial services, each franchisee shall pay a minimum CalRecycle fee of Three-Hundred Seventy-Five Thousand Dollars ($375,000).

Residential Vehicle Impact Fee: Contractor shall pay to the City an annual Vehicle Impact Fee of One-Hundred Seventy-Five Thousand Dollars ($175,000) adjusted annually as described in draft Agreement Section ~~9.4~~7.3 and ~~9.7~~7.6. The Residential Vehicle Impact Fee is to reimburse the City for costs to provide road maintenance to City's streets due to "wear and tear" caused by the use of Contractor's Solid Waste Collection vehicles on City Streets. Should the City issue separate franchises for Residential and Commercial services, only the residential franchisee shall pay the Residential Vehicle Impact Fee.

Residential Street Sweeping Fee: Contractor shall pay to the City an annual Street Sweeping Fee of One-Hundred Seventy-Five Thousand Dollars ($175,000) adjusted annually as described in draft Agreement Section ~~9.5~~7.4 and ~~9.7~~7.6. The Residential Street Sweeping Fee is to reimburse the City for the cost of sweeping residential streets. Should the City issue separate franchises for Residential and Commercial services, only the residential franchisee shall pay the Residential Street Sweeping Fee.

Contracting Fee: Contractor shall pay the City a one-time contracting fee of One-Hundred Thousand Dollars ($100,000) within seven (7) days of the execution of the new agreement. Should the City issue separate franchises for Residential and Commercial services, the commercial franchisee shall pay Thirty-Thousand Dollars ($30,000) and the residential franchisee shall pay Seventy-Thousand Dollars ($70,000).

Late Payment Fee: Contractor shall pay the City a Late Payment Fee of 10% of any amount passed due for the month plus 1.5% for each month the payment is late thereafter.

HOLIDAY SCHEDULE

If the regularly scheduled collection day falls on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, or Christmas Day, collection days for the remainder of that week shall all be postponed one collection day and residential collection is permitted on Saturday during the make-up week.

CUSTOMER RATE ARRANGEMENTS

The rate schedules establish the maximum rates that may be charged. Initial rates will be set based on the rates proposed in Attachment 6. The rates will thereafter be adjusted using a rate adjustment procedure described in Article 10~~8~~ of the draft Agreement. The first rate adjustment is effective July 1, 2026.

RESIDENTIAL RATE ARRANGEMENTS

Standard Cart Service: Standard cart service will be the weekly, automated collection of refuse, recycling, and organics. The default cart size for each waste stream shall be 64-gallons. Customers may request different size carts for each waste stream. Carts shall be offered in 35, 64, and 96-gallon cart sizes. The monthly rate for the collection of all three waste streams shall be based on the refuse cart size selected by the customer.

Disabled Customer Discount: Currently customers determined to be disabled by issuance of a handicap placard from the DMV or by meeting City-established guidelines receive backyard service at no additional charge. The City invites Proposers to propose this service at no charge or at a discounted rate. Please note that discounted rates shall be provided at the sole cost of the Contractor and will be considered a disallowed cost for Proposition 218 purposes.

Senior Citizen Discount: Currently, senior citizens of 60 years of age or older, residing in the premises where service is received and listed on the bill are entitled to a discounted senior rate. The City invites Proposers to propose this service a senior citizen discount. Please note that the discounted portion of the rate shall be at the sole cost of the Contractor and will be considered a disallowed cost for Proposition 218 purposes.

COMMERCIAL AND MFD RATE ARRANGEMENTS

The City will maintain a rate structure that includes separate fees for the collection of refuse, recyclables, and organics. A volume-and-frequency based rate structure will be used. Contractor shall charge rates to the customer based on each customer's size and number of containers at a rate not to exceed the corresponding rate in the maximum rate table. Recyclables collection will be offered at a 50% of the refuse rate. Organics collection shall be charged at the same rate as the refuse rate for the equivalent container size and frequency.

City Facilities

The City's facilities shall be provided all collection services at no additional charge. Services shall include refuse, recycling and organics collection services.

Charges for Additional Services

The Contractor's proposed rate schedule shall include all charges for special services, including but not limited to:

- Additional carts.
- Scout service.
- Locking bins.
- Pulling or pushing containers to a collection vehicle.
- Steam cleaning containers (excluding carts) more frequently than one time per year as requested by the customer.
- Additional bulky item collection services.

Please see Proposal Forms for more details on situations in which special service charges apply.

Rate Adjustment Methodology

Refer to Attachment 7 for a complete description of the rate adjustment methodology.

SECTION 4 - RFP POLICIES, CONDITIONS, AND PROCESS

RIGHTS RESERVED BY THE CITY

The City reserves the right, in its sole discretion, to pursue any or all of the following actions regarding this RFP process:

- Issue addenda and amend the RFP and Franchise Agreement.
- Request additional information and/or clarification from proposers.
- Extend the deadline for submitting proposals.
- Withdraw this RFP.
- Reject proposals that do not fully comply with the requirements detailed in this RFP, its attachments, addenda, or clarifications.
- Reject incomplete proposals; proposals containing errors, inconsistencies, false, inaccurate, or misleading information; proposals submitted after the deadline; or proposals with other process or content errors or deficiencies.
- Amend the Municipal Codes of City.
- Award a proposal based on a combination of its qualitative and quantitative attributes.
- Take other actions the City deems are in the best interest of the City, residents and businesses in the City service area; and,
- Negotiate changes in the services proposed and/or described in the RFP or to incorporate programs proposed by others.

GENERAL RFP REQUIREMENTS

- This RFP shall not be construed by any party as an agreement of any kind between the City, contractor(s), and other parties.
- This RFP does not obligate the City to accept any proposal, negotiate with any proposer, award a Franchise Agreement, or proceed with the development of any project or service described in response to this RFP. The City has no obligation to and shall not compensate any proposer for its expense of preparing its proposal and participating in this procurement process.
- Please note that the City's procurement of Franchise Collection Services is not subject to State bidding laws, and the City does not intend to cause the current RFP process to become subject to such public bidding laws or regulations.
- The City shall have the right (but not the obligation) to perform a review of each proposer's ability to perform the work required. Each proposer must agree to cooperate with such a review. Such cooperation by proposer shall apply to the verification of the proposer's capability and experience in the provision of services and any other component of work that may be required under this procurement.
- The City, and its consultants, will be conducting reference checks on proposers that will involve contacting jurisdictions currently or previously served by proposer, as well as contacting

regulatory agencies involved in oversight of proposers' facilities. In addition, the City, or its consultants, may research proposers' past performance by reviewing litigation history, regulatory actions, highway driving records, criminal investigations, and recycling history. The proposer's submission of a proposal shall constitute an agreement to cooperate with the City's review.

- Submittal of a proposal signifies the submitting proposers' commitment to provide the proposed services if selected. In addition, all aspects, conditions, and components of proposals submitted shall be valid for one year from date of submittal. Proposals may not be altered after submittal, except in response to the City's request for clarification.

CODE OF CONDUCT

PROPOSER CODE OF CONDUCT

Proposers are required to sign the Proposer Code of Conduct, which includes a Non-Collusion Affidavit (Attachment 2). This document prohibits ex-parte communications with City elected officials; prohibits giving any gift or monetary compensation to City staff member or consultants; prohibits collusive activities with other potential proposers. If a proposer does submit the document or violates the code of conduct, the City has the right to disqualify the proposer from this RFP process.

Please note: the notarized Proposer Code of Conduct and Non-Collusion Affidavit is required to be submitted no later than one week after the mandatory pre-proposal meeting. An electronic copy may be emailed to DiamondBarRFP@sloanvazquez.com and an original must be mailed to the City.

PROPOSAL SUBMITTAL REQUIREMENTS

Submission of a proposal shall constitute acknowledgment and acceptance of all the terms and conditions contained in this RFP, and in the draft franchise agreement, unless exceptions are expressed in writing in the proposal (See RFP Section 5 Exceptions to the Agreement). The successful proposer will be expected to enter into a franchise agreement with the City; only those exceptions noted in its proposal will be considered for modification. The City is not obligated to agree to these exceptions but reserves the right to negotiate modification of such noted exceptions to the draft franchise agreement.

The schedule of events presented in this section is summarized in Table 1.

STEP ONE – R.S.V.P TO ATTEND PRE-PROPOSAL MEETING

Proposer must register their intent to respond to this RFP by emailing notification to **DiamondBarRFP@sloanvazquez.com**.

Step Two – Mandatory Pre-Proposal Meeting

A mandatory pre-proposal meeting will be held by video conference. An invitation will be emailed to each registered proposer. The current date and time of the pre-proposal meeting are provided in Table 1 – RFP Schedule.

Step Three – Submittal of Written Questions

The City directs proposers to submit all questions and requests for information in writing directly to the City's consultant at DiamondBarRFP@sloanvazquez.com. The deadline for submitting written questions and requests for information is provided in Table 1 – RFP Schedule.

Written responses to questions will be provided to all eligible proposers. In the event of any inconsistencies between oral responses provided at the pre-proposal meeting and written responses subsequently issued. The written responses must be used for preparing proposals.

Step Four – Proposal Submittal

Proposer shall submit One (1) double-sided copy of the complete proposal and one (1) single sided, signed original according to the deadline provided in the RFP Schedule. In addition, the proposers are required to submit a flash drive containing:

- A digital copy of all completed rate proposal forms (Attachment 6 of the RFP) in Microsoft Excel format.
- A digital copy of the Draft Franchise Agreement, noting all exceptions and proposed substitute language in redline/strikeout, in Microsoft Word format.
- A complete PDF of the proposal including the rate proposal forms. and,
- The required Surety must be included in the sealed package.

These items shall be placed and submitted in a sealed package. Proposals must be formatted on 8½ inch by 11-inch paper with post-consumer recycled-content paper. All pages shall be consecutively numbered; although, each section may start with a new page number if proceeded with the section number (e.g., Page 2-1 for the first page of section 2).

Surety: Each proposal must be accompanied by a surety made payable to "City of Diamond Bar" in the amount of $25,000 and in the form of a certified check, cashier's check, or bid bond. The surety shall be submitted with the proposal in a separate, clearly labeled envelope.

The purpose of the surety is to guarantee that the successful contractor will execute a Franchise Agreement with the City. If the selected contractor does not execute the Franchise Agreement within 30 calendar days after receiving notice of the award of Franchise Agreement, the City shall keep the surety to offset the potential cost associated with identification of an alternate service provider and schedule delays. Additionally, the City has the right to pursue additional and reasonable costs incurred in this event.

Checks and bonds will be returned to all proposers no later than ten calendar days after the City has executed the Franchise Agreement with the successful contractor. If no selection is made within one year of the submission of proposals, each proposer may demand their proposal surety be returned. ~~H~~owever, the City reserves the right to eliminate proposals from such companies from further consideration.

Proposals received late will not be considered. Postmarks will not be accepted as proof of receipt.

The package shall be clearly labeled:

PROPOSAL FOR CITY OF DIAMOND BAR SOLID WASTE SERVICES

FROM: Name of Proposer
Address: Address of Proposer
Contact Person:
Telephone Number:
E-mail:

The proposal may be mailed or hand delivered to:

CITY CLERK
City of Diamond Bar
21810 Copley Dr.
Diamond Bar, CA 91765

STEP FIVE – CLARIFICATION OF PROPOSAL INFORMATION AND INTERVIEWS

Proposers may be asked to clarify information through written communications, interviews or during site visits of each proposer’s offices, customer service center, corporation yard and maintenance facilities, and disposal, transfer, and processing facilities. The City reserves the right to conduct in-person interviews with one or more proposers.

STEP SIX – SELECTION OF RECOMMENDED CONTRACTOR AND NEGOTIATION OF FINAL AGREEMENT

The City and/or its consultants will recommend for consideration by the City Council a preferred contractor for both residential and commercial services, or a contractor for residential and another contractor for commercial services.

Should the City and/or its consultants determine that none of the proposals submitted by VVS or WM meet the best interest of the City and the ratepayers, the City may choose to publish this RFP to the public and invite additional proposals for consideration prior to selecting a contractor or contractors, in which case, the process will revert to Step One. In the event that the City releases this RFP to the public, it is the City’s intention to keep VVS and WM’s proposals confidential until the contractor selection process is complete.

Once the City Council approves selection of a final contractor or contractors then final negotiation will take place for the Franchise Agreement(s). Except at the sole discretion of the City, all negotiations with the Proposers will be limited to the Proposers' listed exemptions and proposed substitute language in the draft agreement contained in their proposal.

LIMITS ON DISCLOSURE OF PROPOSALS

The City has determined that the public interest will be best served if proposals submitted in response to this RFP are not made available for review by other companies participating in the competitive selection process. For that reason, proposals (and materials submitted during subsequent meetings and discussions with City staff) will not be made available to other proposers or the public generally any earlier than the date on which City staff issues to City Council a contractor or contractors recommended for final consideration/negotiation.

As part of the Council Report, the City may include some portion(s) of the proposal(s) that have not been identified as entitled to confidential treatment as containing trade secrets. However, inclusion of some portion(s) of the proposal(s) in the Council Report may be deferred until after the City Council has selected a proposer for negotiations. In this case, some portion(s) of the proposal(s) may be included in the Council Report prepared for the meeting where the results of the completed negotiations are presented. This is the only release of any portion(s) of proposal(s) that will be permitted prior to the execution of this agreement.

No proposer may, directly or through an intermediary, employ the Public Records Act to obtain access to non-confidential materials submitted to the City by other proposers prior to the execution of the agreement for this contract.

The following procedures will be followed for the disclosure of proposals following the execution of the agreement:

- Materials which a proposer considers as trade secret information entitled to protection from disclosure under Government Code Section 6254(k) must be clearly marked on each page as "CONFIDENTIAL".
- If the City receives a request to review and/or copy materials submitted by any proposer, it will decline to release those materials marked "CONFIDENTIAL" pursuant to Government Code Section 6255.
- If the person submitting the request files a legal action against the City seeking its release, the City will notify the affected proposer(s) and will not oppose a motion by such proposer(s) to intervene in the action. The proposer(s) must either intervene or agree to pay the City's legal expenses in defending the action, including fees, if any, awarded to the plaintiff. Absent such an agreement, the City will have no obligation to defend the action and may release the information sought without any liability whatsoever.

- No proposer will seek damages against the City or recovery of its attorneys' fees from the City because of any dispute related to the release or withholding of information submitted in response to this RFP.
- Materials that have been marked as "CONFIDENTIAL" will either be destroyed or returned to all unsuccessful proposers once the agreement has been signed by City and by the selected proposer(s).

SECTION 5 - SUBMITTAL REQUIREMENTS

Section 5 includes the required proposal outline and a description of the specific information proposers must include. Proposer must provide the information specified in this section as part of its proposal. Failure to provide all the required information may be grounds for rejection of a proposal.

The proposer does not need to reiterate the service requirements of the Franchise Agreement in their proposal. However, proposer is requested to focus on describing how it plans to provide the services with regard to but not limited to routing strategies, collection methods, and equipment selection. Furthermore, if a proposer has presented information for one type of service that is the same for another type of service, proposer can refer to its previous description rather than reiterating the discussion in its proposal. For example, if SFD solid waste and recyclables collection vehicles are the same, the vehicle description can be provided once for the solid waste service and then referenced for the recyclable materials collection service.

PROPOSAL OUTLINE

Proposer shall present its proposal in accordance with the outline provided in Attachment 8. Information should be identified by number in the outline. Additional information or data relevant to the proposal is optional and may be included by proposer as proposal attachments.

1. GENERAL REQUIREMENTS

I. TITLE PAGE (OPTIONAL)

II. COVER LETTER

The cover letter shall clearly identify the legal entity or entities submitting the proposal and state whether each is a sole proprietorship, partnership, corporation, LLC, or joint venture. The cover letter shall be signed by the designated representative authorized to bind proposer. Proposer shall acknowledge receipt of any addenda issued as part of this RFP process.

III. TABLE OF CONTENT

2. PROPOSER OVERVIEW

2.1 PROPOSER'S BUSINESS STRUCTURE

Provide the following information regarding the proposing entity and entity that would provide a corporate guarantee, if applicable:

- Identify the legal entity that would execute the Franchise Agreement. State whether each entity is a sole proprietorship, partnership, corporation, LLC, or joint venture. Describe in detail the relationship of the proposer to the executing entity. If the proposer is a joint venture, describe where the entities have collaborated before.

- Identify the entity that would submit financial statements and whether it is an individual, a partnership, a corporation, or a joint venture. If other than proposing entity, indicate relationship and willingness to sign corporate guarantee.
- Confirm that proposer is authorized to do business in California.
- State the number of years the entities have been organized and doing business under this legal structure. Proposal must include all the names of company's (and executing entities if different than company's) owners/stockholders with greater than a 10% holding of the company's total assets.
- Identify the names of all officers.
- Identify other businesses with ownership by principals and/or management.
- Identify the corporate headquarters.
- Identify local headquarters (if different).
- Describe all services to be performed by subcontractors and identify each subcontractor by name. Proposer shall describe any current or past working relationship with the subcontractor(s) in the past five years.

2.2 Proposer's Experience

Proposer shall describe its experience serving a minimum of three (3) jurisdictions in California (preferably serving jurisdictions of similar or larger size and similar demographics to the City in a table format. Required information includes:

- The name of the jurisdiction where the services were provided.
- Commencement date of services and term of the agreement.
- The name, address, and telephone number of the jurisdiction representative responsible for administering the agreement.
- The services provided (e.g., solid waste collection, recyclable materials, organic materials collection, and other unique collection programs such as e-waste or household hazardous waste).
- The number of residential (i.e., specify SFD and MFD), Commercial (i.e., specify cart, bin, roll-off and other) and City (or other) customers served; tons collected, diverted, and disposed annually; and, the type and number of vehicles dispatched per day for each of the services provided.

Additionally, please provide at least one municipal citation for service transitions from another hauling company, including a brief description of the old and new services, and service transition dates, as well as the information listed in the first and last bullet above.

2.3 Key Personnel Qualifications

Provide an organizational chart and brief biographical description of the key personnel the proposer would assign to the transition team and the ongoing management of the services to be provided under the Agreement. Specify the percentage of time each individual will be assigned to services specified in the Franchise Agreement. Identify municipalities who have worked with the key personnel. Indicate which key personnel will be designated as the contractor liaison, service liaison, contractor representative, and emergency contact.

2.4 Proposer's Past and Pending Litigation

List all civil or misdemeanor or felony criminal court or administrative filings by and/or against California government agencies that are currently pending and/or that have been filed, settled or otherwise received a disposition within the last ten years that relate to the provision of solid waste service listing the names of the parties, the case number, and a brief description of the case and disposition, if any. This paragraph is applicable to the following persons and entities:

- The key personnel
- The owners and officers of the company
- The entity submitting the proposal; and/or,
- Any parent or affiliated company for actions filed in the State of California (For affiliates, proposer may limit disclosures of non-criminal matters to those in the Los Angeles County.
- Any strategic partners or subcontractors identified in RFP.
- Include the resolution and current status of each civil legal action.

Note: The term "affiliate" as used in this RFP is defined in ~~Article~~ Section 1.1 of the Agreement.

2.5 Financial Information

Provide the following financial information for the most recently completed fiscal year for the proposer or, if a corporate guaranty is to be provided, for the guarantor:

- The type of financial statements (audited or reviewed) and the corporate entity that they represent (proposer or corporate guarantor).
- The most recently completed fiscal year for which financial statements are available.
- Annual revenue from the most recently completed financial statements.
- Current Assets to Current Liabilities ratio (current assets/current liabilities) from the most recently completed financial statements.
- Total Liabilities to Total Assets ratio (total liabilities/total assets) from the most recently completed financial statements.

Upon request, proposers must submit the financial statements upon which the requested financial information is based within five (5) business days of the request. Statements must be prepared and presented in accordance with Generally Accepted Accounting Principles applied on a consistent basis and must include a statement by the chief financial officer of the proposer's company that there has been no material adverse change in conditions or operations, as reflected in the submitted balance sheets, income statements and cash flow statements, since the date on which they were prepared.

Proposers requested to submit financial statements may submit a single copy, stamped "confidential" and request for its return upon completion of the procurement process. The City will attempt to maintain the confidentiality of such a request, although confidentiality cannot be guaranteed.

The selected proposer will be required to submit "reviewed" or "audited" financial statements that demonstrate reasonable financial resources and stability to the satisfaction of the City. If awarded the contract, the financial statements shall remain with the City.

2.6 Insurance

Proposer must submit evidence that the proposer either has, or is able to obtain, the insurance coverage required in the draft Agreement Section 11.8~~9~~.

3. PROPOSAL FOR SOLID WASTE SERVICES

Proposer shall describe how it plans to perform the solid waste services requested in this RFP and described in the Draft Franchise Agreement. Information must separately address all materials collected for Residential, Multi-family, Commercial, and City facilities.

3.1 Collection Services Approach

Proposer shall include detailed responses for each component of their collection approach, including at a minimum the categories listed below. If the strategies and/or assumptions are different for each organic material processing approach, provide details for each approach. Label each approach to correspond with the respective rate proposal.

- Routing strategy and productivity assumptions by service sector (SFD, MFD, Commercial and City facilities); discussion of special routing (if any) for collecting in narrow streets, courts, and alleys; and route productivity assumptions (in terms of SFD accounts per route per day and MFD/Commercial lifts per route per day) and where these productivity assumptions have been accomplished in other cities serviced by the proposer.
- Collection methodology (e.g., automated, semi-automated, one- or two-person crews, etc.), including discussion of special methods (if any) for collecting in any hard-to-service areas.
- Number of and description of the collection vehicles to be utilized including make, model, and year, body type, yardage capacity, tonnage capacity, type of renewable natural fuel to be used, waste stream(s) to be collected (refuse, recycling, organics), cost, and lease or ownership arrangements. New vehicles are required for residential and MFD, commercial, and City collection services.
- This requirement is primarily to ensure that comparable rate proposals are submitted. The City reserves the right to allow the contractor to provide used collection vehicles.
- New or used vehicles may be used for support vehicles.

- Manufacturer's specifications of containers to be utilized. New carts shall be provided for residential and multi-family dwellings that use carts services and new or used containers (i.e. bins and drop boxes) may be provided for customers that are serviced with bins (i.e. MFD/Commercial/City customers).

- Container requirements are described in draft Agreement Section ~~7.10~~4.3. Proposer shall supply complete technical data and manufacturing specifications on the specific cart, bins and Drop Boxes being used.

3.2 Customer Service Center

Proposer shall describe the management systems and customer service systems its company uses to manage inquiries and complaints received from residential and commercial customers. The description of the management systems and customer service systems may include:

- Description of system capability and/or procedures to ensure timely accessibility of information by jurisdictions served.
- Description of procedures used to satisfactorily respond to, record, and report common customer complaints such as: missed pick-ups; spills and litter resulting from collection; collection schedule changes; broken or missing containers; improperly prepared setouts; noise complaints; traffic and sidewalk obstruction during collection; and safety around collection vehicles during operations.
- Description as to whether individual call centers are established for each of the proposer's service areas or if customer calls are handled by a centralized call center, and location of the proposed call center.
- Description of how the customer service information interfaces with route data and billing data.
- Description of how the company measures customer service about the call center's responsiveness and accuracy of responses, as well as the quality of collection service. Identify specific performance metrics or targets your company tracks.
- Identify the website that its customers use to obtain customer rates and service information, diversion services and requirements, and to submit inquiries or complaints. Provide website address.

3.3 Implementation Plan

Provide an implementation schedule that demonstrates ability to implement the services in accordance with the service start date, including meeting equipment, personnel, administration, maintenance, and public education requirements.

3.4 AB 341, AB 1826, and SB 1383 Implementation Plan

Proposer shall provide an AB 341, AB 1826, and SB 1383 implementation plan detailing planned tasks, procedures, and schedule to ensure the City's compliance with AB 341, AB 1826, and SB 1383.

The plan should address the following requirements.

A description of proposer's public education and outreach plans that comply with all CalRecycle requirements for Outreach and Education, Monitoring and Reporting, and Performance Standards and other applicable regulations.

The plan shall include, at a minimum, the following components:

- Timeline
- Description of all proposed activities
- Description of all proposed printed materials and electronic content
- Examples of materials and content the proposer has developed for other jurisdictions (proposer may include materials as an attachment or provide images of the material within the proposal text).
- Description of labels to be attached to containers that clearly indicate the accepted and prohibitive materials to be placed in containers. Labels shall comply with CalRecycle guidelines for labeling/signage.
- Proposed continued outreach efforts to increase participation in recycling and organics programs, including use of direct mail, community workshops, development of how-to videos, dedicated website, community events, school outreach, etc.
- Proposed contamination monitoring procedures including performing route reviews and or waste evaluations.

3.5 Food Rescue and Donation Program

Describe proposed efforts to assist the City and its customers with a food rescue and donation program to comply with SB 1383 which establishes a target that not less than 20% of currently disposed edible food is recovered for human consumption by 2025.

3.6 Organics Recycling Program

Describe proposed organics recycling program including type of containers proposed. Proposers should include detailed information on customer in-house preparation of material prior to disposal (e.g., bag or no bag requirements); include a comprehensive list of organic materials that are acceptable in each of the programs listed above, and a comprehensive list of organic materials that are not accepted in the program. Also, proposers are requested to submit samples of outreach materials already distributed to customers in a city with a similar program in place if proposer has implemented such program. Please describe your intended approach and activities related to SB 1383 organic waste collection and recycling services, education and outreach, capacity planning, procurement of organic waste products, reporting, contamination monitoring, and other compliance activities.

3.7 Recyclable Materials

Specify all materials that can be recycled through the residential, multi-family and commercial recycling programs.

3.8 Procurement of Recovered Organic Waste Products

Describe proposed assistance to the City to ensure that sufficient California recovered organic waste products are procured on behalf of the City to meet the requirements of SB 1383. Identify types and quantities of recovered organic waste products which shall be procured.

3.9 Proposed Operating Facilities

Provide information about proposed operating facilities, including:

- Yard address for equipment and personnel staging and arrangements for maintenance of equipment.
- Office address for customer service, public relations, billing, and franchise administration; and,
- Other operating facilities to be used in providing service under this agreement.

3.10 Proposed Disposal, Transfer, and Processing Facilities

Proposers must identify all proposed disposal, transfer, and processing facilities for transfer/disposal of refuse, processing of commingled recyclables, processing of organics, processing of mixed waste, and processing of construction and demolition debris.

For each facility, please identify the following:

- The name, address, and SWIS # of the facility.
- The material to be processed (organic waste, commingled recyclables, mixed waste, or construction and demolition debris).
- The tipping fee per ton.
- A statement regarding any relationship between the proposer and the facility owner/operator (if any).
- Indicate any proposed solid waste facility capacity guarantees.
- Current and estimated diversion rate for processing of each waste stream (e.g., residential recyclables, residential organics, source-separated commercial recyclables, mixed commercial waste, commercial organics, C&D.)

4. DISPLACED EMPLOYEE RETENTION

In accordance with Labor Code Sections 1070, 1072, 1075, and 1076, proposer will offer employment to qualified existing employees of the current contractor that may be displaced if the current contractor is not retained. Please describe your procedures for offering such employment and any limitations. Please describe whether your company operates under a labor collective bargaining agreement.

5. EXCEPTIONS TO THE AGREEMENT

The City expects that the successful proposer(s) will execute an Agreement with the City in substantially the same form as the Draft Agreement (as it may be changed via Addendum during the RFP process).

Proposers are required to carefully review the Agreement before submitting proposals and are encouraged to have it reviewed by legal counsel. Proposers are also encouraged to submit written questions about any provision in the Agreement not fully understood, which would appear to be inconsistent with other provisions or otherwise incorrect, or which may deter them from submitting a Proposal or significantly increase the rate of their Proposal.

To demonstrate agreement with to all terms and conditions of the draft Agreement as written, proposers are required to sign and include in their proposal the signature page of the draft Agreement. Any exceptions must include the nature of the proposed exception, the draft Agreement Section, proposed substitute language, and the change in costs that would take place if the proposed language were to be accepted by the City. The proposal is not considered complete without this signed page.

The number, nature and materiality of objectionable provisions and suggested changes to the Agreement will be considered in evaluating proposals.

6. RATE PROPOSALS

6.1 Primary Rate Proposal Forms

Proposers may submit up to three complete sets of rate proposal forms: one for the residential sector, one for the commercial sector, and one for a citywide franchise. These proposals shall be based solely on the requirements requested in this RFP and further detailed in the draft Agreement without considering any exceptions or alternatives.

6.2 Alternative Rate Proposals

Provided that the proposer has submitted a primary rate proposal that meets all of the minimum requirements of this RFP, the proposer may submit one or more alternative rate proposals. For example, proposer may submit an alternative rate proposal that retains existing used equipment.

7. PROPOSER CODE OF CONDUCT AND NON-COLLUSION AFFIDAVIT

Each proposer shall include a copy of the Proposer Code of Conduct and Non-Collusion Affidavit (Attachment 2) that was submitted at the pre-proposal conference.

SECTION 6 - PROPOSAL EVALUATION PROCESS

This section describes the proposed process for evaluation of proposals and selection of Contractor(s). Note that the City reserves the right to modify this process in any way and at any time during the RFP and contractor selection process.

EVALUATION AND SELECTION PROCESS

An evaluation report, including a comparative description of the proposals, evaluation results, and a recommendation, will be prepared and presented to City Council. The City Council will review the recommendation and may approve that recommendation or form an alternative recommendation.

During the evaluation process, proposers are required to allow site visits, and give presentations to the City and may be required to attend interviews.

PROPOSAL EVALUATION CRITERIA

The proposal will be objectively evaluated based on criteria that may include, but is not limited to, the following factors.

PROPOSER'S QUALIFICATIONS

- Collection Experience. Demonstrated experience of company providing the requested or similar services to other jurisdictions. If the proposer is a joint venture, demonstrated experience of parties working together.
- Jurisdiction Satisfaction. Satisfaction of proposer references with services received, including but not limited to, implementation, customer services, reporting, assistance developing diversion programs, and working cooperatively with City staff.
- Management and Customer Service Systems. Demonstrated capabilities of the company's existing management and customer service systems' abilities to track and monitor contract compliance, quality of collection service, and call center responsiveness.
- Key Personnel Qualifications. Extent and relevance of the qualifications and experience of key personnel proposed for the transition team and on-going management of the City's collection operations.

TECHNICAL QUALIFICATIONS

- Implementation Plan. Reasonableness of implementation schedule and ability to meet deadlines (e.g., reasonableness of equipment procurement schedules, implementation staffing levels, public education program, itemized steps for initiation, roll out and maintenance of diversion programs in all service sectors throughout the City, container/cart distribution, new corporation or maintenance yard development, contingency plans, etc.
  - Customer Service. Customer service approach, staffing levels, and City-specific training programs.
  - Billing System. Billing approach and procedures for handling customer billing activities.
  - Collection Approach. Reasonableness and reliability of the proposed collection methods (e.g., technology, equipment, and containers); reasonableness of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, and other operating statistics), if applicable; and reasonableness of assumptions.
- AB 341, AB 1826, and SB 1383 Implementation Plan. Completeness of proposed services, public education program, roll out and maintenance of diversion programs in all service sectors throughout the City, container/cart distribution.
- Diversion Outreach and Education Programs. The nature, reliability, and innovation of proposed diversion programs and potential of such programs to divert solid waste from landfill disposal and meet diversion requirements. Compatibility of the proposed education program, staffing level, and program ideas with the needs of the City; and, the quality of public education samples relative to other proposers. Likelihood of diversion programs to meet State-mandated outreach

and education, diversion monitoring and reporting and performance measurement requirements.

- Proposed Operations Facilities. Plan for providing the facilities needed for equipment storage and parking, maintenance, and administration. Level of assurance provided, if any, about site acquisition and timely development of necessary facilities if not proposing an existing, operational and permitted facility.
- Proposed Disposal, Transfer, and Processing Facilities Reasonableness and reliability of the proposed facilities for disposal, transfer, and processing of solid waste, recyclable materials, and organic materials, including documentation of existing facility permitting/approvals and/or guarantee of sufficient capacity for tonnage from the City service area, and the reasonableness of proposed material transport plans.

Number and Materiality of Exceptions to Agreement

The number, nature, and materiality of suggested changes to the Agreement will be considered in evaluating proposals.

Financial

- Financial Stability. Financial stability of proposer based on its financial ratios and other financial considerations.
- Insurance. Demonstrated ability of proposer to obtain adequate insurance.

Rate Proposal

- Reasonableness of Rate Proposals. The logical relationship between proposed rates and operational assumptions.
- Competitiveness of Rate Proposals. The competitiveness of the overall revenue requirement is evaluated relative to other proposals.

Alternative Proposals

The City is not obligated to evaluate or select alternative proposals. Alternative proposals will be considered by the City if the City concludes, in its sole discretion, that the alternative proposals warrant evaluation and analysis. Such evaluation will consider the reasonableness and reliability of proposed collection methods, technology, equipment, and containers; and the reasonableness of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, program diversion levels, and other operating statistics considered as pertinent by the City and its consultants).

At the City's option, the reasonableness and competitiveness of one or more alternative proposal(s) may be evaluated.

AWARD

Proposals must be complete and must conform to the requirements of this RFP as to form and content. The franchise or franchises will be awarded for the proposal or proposals that offer the greatest value to the City. The City, however, reserves the right to reject any or all proposals, to accept or reject any one or more items of a proposal, or to waive any minor irregularities or informalities in the proposal. City Council will select the proposal or proposals that it determines to best serve the City and is not bound to follow the recommendation of City staff or City staff's proposal evaluations in making its selection. It is anticipated that all services described in this RFP will be contracted for. However, the City reserves the right to change such service descriptions prior to award.

LIST OF ATTACHMENTS

ATTAHCMENT 1: DRAFT AGREEMENT

ATTACHMENT 2: PROPOSER CODE OF CONDUCT AND NON-COLLUSION AFFIDAVID

ATTACHMENT 3: SERVICE DATA

ATTACHMENT 4: CURRENT RATES

ATTACHMENT 5: CITY FACILITIES

ATTACHMENT 6: RATE PROPOSAL FORMS

ATTACHMENT 7: RATE ADJUSTMENT METHODOLOGY

ATTACHMENT 8: PROPOSAL OUTLINE

ADDENDUM #1

DRAFT

FRANCHISE AGREEMENT FOR SOLID WASTE SERVICES

Between the Diamond Bar

and

[CONTRACTOR NAME]

This _____ day of Month, 202__

ADDENDUM #1

Contents

ADDENDUM #1

ADDENDUM #1

This Franchise Agreement for Solid Waste Services ("Agreement") is entered into this _____ day of ____________, 2023 by and between the City of Diamond Bar and [CONTRACTOR NAME] "Contractor", for the Collection, Transportation, Recycling, Processing, and Disposal of Solid Waste and other services related to meeting the goals and requirements of the California Integrated Waste Management Act. In this Agreement, the City and Contractor may be collectively referred to as the "Parties" and individually referred to as "Party."

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 ("Act") and subsequent additions and amendments (codified at California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for Solid Waste handling within their jurisdiction to meet the goals and requirements of AB 939; and,

WHEREAS, pursuant to California Public Resources Code Section 40059(a)(2), the City Council of the City of Diamond Bar has determined that the public health, safety, and well-being require that an exclusive franchise be awarded to a qualified company for the Collection, Transfer and Transportation, Recycling, Processing, and Disposal of Solid Waste and other services related to meeting the Diversion goals required by AB 939, and other requirements of the California Integrated Waste Management Act; and,

WHEREAS, the Legislature of the State of California, in California Public Resources Code Section 41780 et seq., has declared a mandatory commercial Recycling program and that it is the policy goal of the state that not less than 75 percent of Solid Waste generated be source reduced, recycled, or composted by the year 2020, and annually thereafter; and,

WHEREAS, the Legislature of the State of California, in California Public Resources Code Section 41781.3 et seq., has declared that as of January 1, 2020, the use of green material as Landfill alternative daily cover will no longer constitute Diversion through Recycling and will instead be considered Disposal in terms of measuring a jurisdiction's annual 50 percent per capita disposal rate; and,

WHEREAS, California Public Resources Code Section 42649 et seq., requires a mandatory commercial Organic Waste Diversion program; and,

WHEREAS, the Short-Lived Climate Pollutants Bill of 2016 (SB 1383) establishes regulatory requirements for jurisdictions, generators, haulers, Solid Waste facilities, and other entities to support achievement of state-wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 requires jurisdictions to implement Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement and fulfill other requirements; and, the City has chosen to delegate some of its responsibilities to Contractor, acting as the City's designee, through this Agreement; and, WHEREAS, the City declares its intention of maintaining reasonable rates and quality service related to the Collection, Transportation, Recycling, Processing, and Disposal of Solid Waste and other services; and,

WHEREAS, the California Department of Resources Recycling and Recovery ("CalRecycle") promulgated regulations to implement SB 1383 (the "SB 1383 Regulations") for local jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of statewide Organic Waste Disposal reduction targets; and,

WHEREAS, the current franchise agreement will expire on August 30, 2025; and,

WHEREAS, in response to a Request for Proposals, the Contractor has submitted a proposal to the City and the City selected the Contractor on the competitive advantages of that proposal over other proposals received by the City; and

WHEREAS, City and Contractor ("Parties") hereto desire to enter said Agreement; and,

WHEREAS, City and Contractor are mindful of the provisions of the laws governing the safe Collection, Transport and Transportation, Recycling, Processing and Disposal of Solid Waste, including AB 939, the Resource Conservation and Recovery Act ("RCRA"), and the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). City and Contractor desire to leave no doubts as to their respective roles and to memorialize that by entering into this Agreement, City is not thereby becoming an "arranger" or a "generator" as those terms are used in CERCLA, and that it is Contractor, not City, who is "arranging for" the Collection from premises in the City, Transport for Disposal, Composting or other Processing, and Recycling of municipal Solid Waste which may contain Hazardous Material; and further to confirm that as a material inducement to City entering into this Agreement, Contractor has agreed to fully indemnify City in connection with any claims, losses, liabilities, lawsuits or actions relating to the inadvertent or intentional Collection, Transportation and/or Disposal of Hazardous Materials that may occur in connection with Contractor's performance under this Agreement, and

WHEREAS, the State of California has found and declared that the amount of Solid Waste generated in California, coupled with diminishing Landfill space and potential adverse environmental impacts from Landfill Disposal and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program. The State has, through enactment of AB 939 and subsequent related legislation including, but not limited to: AB 2176 (Chapter 879, Statutes of 2004), SB 1016 (Chapter 343, Statutes of 2008), AB 341 (Chapter 476, Statutes of 2011), AB 1826 (Chapter 727, Statutes of 2014), and SB 1383 (Chapter 395, Statutes of 2016), directed the responsible State agency, and all local agencies, to promote a reduction in Landfill Disposal and to maximize the use of feasible waste reduction, Reuse, Recycling, and composting options in order to reduce the amount of material that must be Disposed; and,

WHEREAS, the City Council of the City of Diamond Bar hereby desires that Contractor be engaged to provide for both the Collection of Solid Waste within the corporate limits of the City of Diamond Bar and the Transportation of such Solid Waste to appropriate places for Processing, Recycling, Organics Diversion, and Disposal, and to perform such services on the terms and conditions set forth in this Agreement; and

WHEREAS, Contractor has agreed, as part of this Agreement, acting as an independent contractor to provide such personnel, equipment and supplies as are necessary to ensure City complies with the requirements of Public Resources Code Section 49100 et seq.,

WHEREAS, Contractor agrees to and acknowledges that it shall arrange for the proper Disposal of all Solid Waste Collected in City and City is not instructing Contractor how to Collect, Process and Dispose of Solid Waste.

WHEREAS, consistent with provisions of the Act, including Public Resources Code Section 40059, aspects of Solid Waste Services are of local concern, including frequency of collection, means of collection and Transportation, level of services, charges and fees, the nature, location, and extent of providing Solid Waste Services, and whether the services are to be provided by means of a non-exclusive, partially exclusive, or wholly exclusive franchise, contract, license, or otherwise which may be granted by the City under terms and conditions prescribed by the City Council; and

WHEREAS**,** this Agreement has been developed by and is satisfactory to the City and the CONTRACTOR,

Now, therefore, in consideration of the mutual covenants, conditions and consideration contained herein, the City and Contractor hereby agree as hereinafter set forth:

ARTICLE 1: DEFINITIONS

For the purpose of this Agreement, the definitions contained in this Article shall apply unless otherwise specifically stated. If a word or phrase is not defined in this Agreement, the definition of such word or phrase as contained in the City of Diamond Bar Municipal Code shall control.

1.1 AFFILIATE

"Affiliate" means all businesses, including, without limitation, corporations, limited and general partnerships and sole proprietorships, that are directly or indirectly related to the Contractor by virtue of direct or indirect ownership interest or common management. Such businesses shall be deemed to be "Affiliated with" the Contractor and included within the term "Affiliates" as used herein. An Affiliate includes: (i) a business in which the Contractor has a direct or indirect ownership interest; (ii) a business that has a direct or indirect ownership interest in the Contractor; and/or (iii) a business that is also owned, controlled or managed by any business or individual which has a direct or indirect ownership interest in the Contractor. For the purposes of this definition, "ownership" means ownership as defined in the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the effective date, provided that ten percent (10%) shall be substituted for fifty percent (50%) in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest of value that the ownership interest represents, whichever is greater. Being an Affiliate does not exempt a business from the application of assignment requirements under Section 14.5

1.2 AGREEMENT

"Agreement" means this Franchise Agreement between the City and Contractor for the Collection, Transportation, Recycling, Processing, and/or Disposal, of Solid Waste, and other services related to meeting the goals and requirements of AB 939, including all exhibits and attachments, and any amendments thereto.

1.3 APPLICABLE LAW

"Applicable Law" means all statutes, rules, regulations, guidelines, actions, determinations, Permits, orders, or requirements of the United States, State, County of Los Angeles, City and local and regional government authorities and agencies having applicable jurisdiction, that apply to or govern the Site or the performance of the Parties' respective obligations hereunder, including any of the foregoing which concern health, safety, fire, environmental protection, labor relations, mitigation monitoring plans, building codes, zoning, non-discrimination, and prevailing wages if applicable. All references herein to Applicable Law include subsequent amendments or modifications thereof, unless otherwise specifically limited in this Agreement.

1.4 ASSEMBLY BILL 341 (AB 341)

“AB 341” means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as “AB 341,” as it may be amended supplemented, superseded, or replaced from time to time.

1.5 ASSEMBLY BILL 939 (AB 939) (ACT)

"AB 939" means the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000 et seq.), as it may be amended, supplemented, superseded, or replaced from time to time.

1.6 ASSEMBLY BILL 1594 (AB 1594)

“AB 1594” means that per California Public Resources Code Section 41781.3 et seq., commencing January 1, 2020, the use of green material as Landfill alternative daily cover does not constitute Diversion through Recycling and shall be considered Disposal.

1.7 ASSEMBLY BILL 1826 (AB 1826)

“AB 1826” means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as “AB 1826,” as amended, supplemented, superseded, and replaced from time to time.

1.8 BILLINGS

“Billings” means any and all statements of charges for services rendered in accordance with this Agreement, howsoever made, described or designated by City or Contractor, or made by others for City or Contractor, to Customers in the City.

1.9 BIN

“Bin” means a metal or plastic Container with hinged lid(s) and wheels serviced by a front-end loading Collection vehicle with a Container capacity of less than (10) cubic yards, including Bins with compactors attached to increase the capacity of the Bin. Bins are also known as dumpsters.

1.10 BIN SERVICE

“Bin Service” means Solid Waste Collection provided by Contractor to Customers using Bins(s) to accumulate and store their Discarded Materials for collection.

1.11 BLUE CONTAINER

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and Collection of Source Separated Recyclable Materials.

1.12 BULKY ITEMS

"Bulky Items" means Discarded Materials that cannot and / or would not typically be accommodated within a Cart including specifically: discarded furniture (including chairs, sofas, mattresses, carpet, and other similar items); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances, and other similar items, commonly known as "white goods"); unusually large amounts of yard debris and Green Waste and small pieces of wood limited to one cubic yard of contained material; Electronic Waste (including stereos, televisions, computers and monitors, VCRs, microwaves and other similar items commonly known as "brown goods" and "e-waste"); Bulky Items do not include car bodies, tires, or C&D Debris, or any other items that require more than two (2) Persons to remove. Other items not specifically included or excluded above will be Collected provided that they are not more than eight (8) feet in length, four feet in width, or more than 150 pounds. In the event a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, City Administrator shall be responsible to determine whether said definition shall apply, which determination shall be final and binding on the Parties.

1.13 BUSINESS DAYS

"Business Days" mean days during which the City's administrative offices are normally open to do business with the public.

1.14 CALRECYCLE

"CalRecycle" means the State of California's Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB, as well as any successor agency to CalRecycle.

1.15 CART

"Cart" means a heavy plastic receptacle and a rated capacity of at least thirty (30) gallons and not more than one-hundred one (101) gallons, having a hinged, tight-fitting lid and wheels, that is approved by the Contract Administrator for use by Customers for Collection services under this Agreement.

1.16 CITY

"City" means the City of Diamond Bar, California, a municipal corporation, and all the territory lying within the municipal boundaries of the City as presently existing or as such boundaries may be modified during the term of this Agreement.

1.17 COLLECT, COLLECTED, COLLECTION

"Collect" or "Collection" means to take physical possession, Transport, and remove Discarded Materials within and from City.

1.18 COMMENCEMENT DATE

“Commencement Date” means the date specified in Section 2.4 when the Contractor is to begin providing Solid Waste Services and other related services required by this Agreement.

1.19 COMMERCIAL EDIBLE FOOD GENERATORS

“Commercial Edible Food Generators” includes Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 18982(a)(7). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators, or as otherwise specified by 14 CCR Section 18982(a)(7).

1.20 COMMERCIAL PREMISES

“Commercial Premises" means Premises upon which business activity is conducted, including but not limited to retail sales, services, wholesale operations, manufacturing and industrial operations, but excluding Residential Premises upon which business activities are conducted when such activities are permitted under applicable zoning regulations and are not the primary use of the property. Notwithstanding any provision to the contrary herein, in the City of Diamond Bar Municipal Code, or otherwise, for purposes of this Agreement, Premises upon which the following uses (as defined in the Diamond Bar Municipal Code) are occurring shall be deemed to be Commercial Premises: Assisted Living Facilities, Convalescent Homes, Dormitories, Extended Stay Motels, Hotels, Motels, and Multi-Family Premises with five (5) units or more.

1.21 COMMERCIAL EDIBLE FOOD GENERATORS

“Commercial Edible Food Generators” includes Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 18982(a)(7). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators, or as otherwise specified by 14 CCR Section 18982(a)(7).

1.22 COMMUNITY COMPOSTING

“Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

1.23 COMPOST, COMPOSTING

“Compost” has the same meaning as in 14 CCR Section 17896.2(a)(4), which stated, as of the effective date of this Agreement, that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized facility.

1.24 CONTRACT ADMINISTRATOR

"Contract Administrator" means _____________________, or any subsequent Person, or his or her designee, designated by the City to administer and monitor the provisions of this Agreement.

1.25 CONTRACTOR

"Contractor" means [CONTRACTOR NAME], and its officers, directors, employees, agents, companies, and Subcontractors.

1.26 CONTRACTOR'S PROPOSAL

"Contractor's Proposal" means the proposal submitted by Contractor to City on ____________, 2023 in response to a Request for Proposals dated ____________, 2023. Contractor's Proposal was selected by City based on its competitive advantages over other proposals received, and City specifically relied upon the representations and warranties set forth therein in entering into this Agreement. Contractor's Proposal is attached as Exhibit 8 and incorporated into this Agreement by reference, and Contractor represents and warrants that all representations set forth in such proposal are true and correct.

1.27 CONTRACTOR COMPENSATION

"Contractor Compensation" means the revenue received by the Contractor from Billings, excluding City fees as defined in Article 7 of this Agreement, in return for providing services in accordance with this Agreement and any amendments to this Agreement.

1.28 CONSTRUCTION AND DEMOLITION DEBRIS OR C&D OR C&D DEBRIS

"Construction and Demolition Debris" or "C&D Material," means any combination of inert building materials and Solid Waste resulting from construction, remodeling, repair, cleanup, or demolition operations as defined in California Code of Regulations, Title 22 Section 66261.3 et seq. This term includes, but is not limited to, asphalt, concrete, Portland cement concrete, brick, lumber, gypsum wallboard, cardboard, and other associated packaging; roofing material, ceramic tile, carpeting, plastic pipe, and steel. The material may be commingled with rock, soil, tree stumps; and other vegetative matter resulting from land clearing and landscaping for construction or land development projects. Accepted and prohibited materials are listed in Exhibit 4.

1.29 CONTAINER(S)

"Container(s)" means any and all types of Solid Waste receptacles, including Carts, Bins, dumpsters, debris boxes, Roll-Off Boxes, and Compactors.

1.30 CONTAINER CONTAMINATION

"Container Contamination" means the following: (i) discarded materials placed in the Blue Container that are not Blue Container Waste; (ii) discarded materials placed in the Green Container that are not Green Container Waste; (iii) discarded materials placed in the Gray Container that are Blue Container

Waste or Green Container Waste; and, (v) non-Solid Waste items placed in any container.

1.31 CUSTOMER(S)

"Customer" means the Person having the care and control of any Premises in the City and to whom Contractor submits its billing invoice and collects payment for Solid Waste Services provided pursuant to the terms of this Agreement.

1.32 DAY

"Day" means calendar day unless otherwise specified in this Agreement.

1.33 DESIGNATED FACILITY(IES)

"Designated Facility(ies)" means any one of or any combination of Disposal, Transfer, or Processing facilities including, C&D Processing Facilities; Landfills; High Diversion Organic Waste Processing Facilities; Organics Waste Processing Facilities, Source Separated Recyclable Materials Processing Facilities; and Transfer Facilities as defined in this Article and listed in Exhibit 3. Any such facility utilized by the Contractor shall be designed and constructed in accordance with Applicable Laws and shall have been issued all permits from federal, state, regional, county and city agencies necessary for it to operate. Contractor shall notify City Administrator within One Business Day of any change in Designated Facilities and must submit to the City Administrator an up-to-date Designated Facilities list annually.

1.34 DISCARDED MATERIALS

"Discarded Materials" are a form of Solid Waste and shall be regulated as such. For purposes of this Agreement, material is deemed to have been discarded, without regard to whether it is destined for Recycling or Disposal, and whether or not it has been separated from other Solid Wastes, in all cases where a fee or other compensation, in any form or amount, is directly or indirectly solicited from, or, levied, charged, or otherwise imposed on, or paid by, the Generator or Customer in exchange for handling services. As used herein, handling services include, without limitation, the Collection, removal, Transportation, delivery, and Processing and/or Disposal of the material. Discarded Materials do not include Edible Food that is recovered for human consumption and is not discarded. For the purposes of this Agreement, Discarded Materials include Source Separated Recyclable Materials, Source Separated Green Container Organic Waste, Food Waste, Refuse, and C&D once the materials have been placed in Containers for Collection.

1.35 DISPOSAL

"Disposal" or "Disposed" mean the final disposition of any Solid Waste Collected by the Contractor or Residue from Processing activities at a permitted Landfill or other permitted Solid Waste facility.

1.36 DISPOSAL SITE(S)

"Disposal Site(s)" means the Solid Waste facility or Facilities utilized for the ultimate Disposal of Solid

Waste Collected by Contractor.

1.37 DIVERT, DIVERSION

"Divert" or "Diversion" means to Divert from Disposal facilities or Transformation facilities (including incineration, pyrolysis, distillation, gasification biological conversion) through source reduction, Reuse, salvage, Recycling, and Composting, as provided in Section 41780 of California Public Resources Code as such act may be hereafter amended or superseded provided that Divert or Diversion shall include delivery to Transformation facilities if the overall Diversion achieved by the City is at a level where delivery to such facilities shall be considered Diversion pursuant to the Act.

1.38 DWELLING UNIT

"Dwelling Unit" means any individual living unit in a Residential Premises intended for, or capable of being utilized for, Residential living other than a hotel or motel.

1.39 EDIBLE FOOD

"Edible Food" means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

1.40 ELECTRONIC WASTE, E-WASTE

"Electronic Waste" or "E-Waste" means discarded electronic equipment and includes, but is not limited to, stereos, televisions, computers and computer monitors, VCRs, cellular phones, fax machines, household copiers, computer printers, other electronic items with electric plugs that are banned from Landfill Disposal, and other similar items commonly known as "brown goods."

1.41 ENFORCEMENT ACTION

"Enforcement Action" means an action of the City to address non-compliance including, but not limited to, issuing administrative citations, fines, penalties, or using other remedies.

1.42 ENVIRONMENTAL LAW

"Environmental Law" means any federal and state statute, county, local and City ordinance, rule, regulation, order, consent decree, judgment or common-law doctrine, and provisions and conditions or permits, licenses and other operating authorizations relating to (i) pollution or protection of the environment, including natural resources, (ii) exposure of Persons, including employees, to Hazardous Materials or other products, raw materials, chemicals or other substances, (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or Commercial activities, or (iv) regulations of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, Transportation, handling, storage and Disposal.

1.43 EXCLUDED WASTE

"Excluded Waste" means Hazardous Substance, Hazardous Waste, Biohazardous or Biomedical Waste, volatile, corrosive, medical waste, infectious, regulated radioactive waste, and toxic substances or material that Designated Facility operator(s) reasonably believe(s) would, as a result of or upon acceptance, Transfer, Processing, or Disposal, be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III Landfills or accepted at the Facility by permit conditions, waste that in Contractor's reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Contractor or City to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Residential Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code.

1.44 FOOD WASTE

"Food Waste" means all kitchen and table food scraps, animal or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs; discarded compostable paper that is contaminated with Food Waste; fruit waste, grain waste, dairy waste, meat, and fish waste, which has been Source Separated from other Solid Waste, Food Waste is a subset of Organic Materials and excludes Hazardous Waste. Edible Food separated for Food Recovery shall not be considered Food Waste. See Exhibit 4 for accepted and prohibited materials.

1.45 FRANCHISE

"Franchise" means the special right granted by City to operate a public utility for Solid Waste Services within the City.

1.46 FRANCHISE FEE

"Franchise Fee" means the fee paid by Contractor to City for the right to hold the Franchise for Solid Waste Services granted by this Agreement.

1.47 GRAY CONTAINER

"Gray Container" has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste or Mixed Waste.

1.48 GREEN CONTAINER

"Green Container" has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of Source Separated Green Container Organic Waste.

1.49 GROSS RECEIPTS

"Gross Receipts" means and includes all revenues actually received by Contractor or subsidiaries, parent companies or other affiliates of Contractor from Billings and compensation in any form arising from, or attributable to, the provision of Solid Waste Services by Contractor to its Customers in the City pursuant to this Agreement, without deducting Disposal fees, City Fees, or any other fees or cost of doing business. Gross Receipts does not include any revenue received by Contractor from the sales of Recyclable Materials.

1.50 HAZARDOUS MATERIAL

"Hazardous Material" is defined to include any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is: (i) petroleum or oil or gas or any direct or derivate product or byproduct thereof; (ii) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (iii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (iv) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Sections 25501(j) and (k) and 25501.1 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (v) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (vi) "used oil" as defined under Section 25250.1 of the California Health and Safety Code; (vii) asbestos; (viii) listed under Chapter 11 of Division 4.5 of Title 22 of the California Code of Regulations, or defined as hazardous or extremely hazardous pursuant to Chapter 10 of Division 4.5 of Title 22 of the California Code of Regulations; (ix) defined as waste or a hazardous substance pursuant to the Porter-Cologne Act, Section 13050 of the California Water Code; (x) designated as a "toxic pollutant" pursuant to the Federal Water Pollution Control Act, 33 U.S.C. Section 1317; (xi) defined as " hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq. (42 U.S.C. § 6903); (xii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 6901); (xiii) defined as "Hazardous Material" pursuant to the Hazardous Materials Transportation Act 29 U.S.C. Section 5101, et seq.: or (xiv) defined as such or regulated by any "Superfund" or "Super lien" law, or any other federal, state or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials and/or oil wells and/or underground storage tanks and/or pipelines, as now, or at any time hereafter, in effect; (xv) defined as "medical waste" or "biohazardous waste" under applicable Federal or State law, excluding Home Generated Sharps as defined in Section 1.53.

1.51 HIGH DIVERSION ORGANIC WASTE PROCESSING FACILITY

"High Diversion Organic Waste Processing Facility" means a facility that is in compliance with the reporting requirements of 14 CCR § 18815.5(d) and meets or exceeds an annual average Mixed Waste organic content Recovery rate of 50 percent between January 1, 2022 and December 31, 2024, and 75 percent after January 1, 2025, as calculated pursuant to 14 CCR § 18815.5I for Organic Waste received from the "Mixed waste organic collection stream" as defined in 14 CCR § 17402(a)(11.5); or, as otherwise defined in 14 CCR § 18982(a)(33).

1.52 HOLIDAYS OR DESIGNATED HOLIDAYS

"Holidays" or "Designated Holidays" shall mean New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

1.53 HOME GENERATED SHARPS

"Home-Generated Sharps" means hypodermic needles, pen needles, syringes, intravenous needles, lancets, and other devices that are used to penetrate the skin for the delivery of medications derived from a household including Residential Dwelling units.

1.54 HOUSEHOLD HAZARDOUS WASTE (HHW)

"Household Hazardous Waste" or "HHW" means material used in residences that may threaten human health or the environment when improperly discarded and usually has one or more of the following characteristics; flammable, toxic, corrosive, and/or reactive.

1.55 LANDFILL

"Landfill" means a "Solid Waste Landfill" defined by Public Resources Code Section 40195.1

1.56 MATERIALS RECOVERY FACILITY (MRF)

"Materials Recovery Facility" means a permitted Solid Waste facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, Processing or Composting.

1.57 MIXED WASTE PROCESSING

"Mixed Waste Processing" means the separation and sorting of recyclables and other recoverable materials from Refuse at a MRF where commingled loads of Solid Waste are Processed.

1.58 MULTI-FAMILY PREMISES

"Multi-Family Premises" means any Residential Premises five (5) or more Dwelling Units (not including hotels or motels), irrespective of whether residence therein is transient, temporary or permanent. which receive Collection services from centralized locations. Multi-Family Premises generally receive Solid Waste Services through the use of shared Bins, but may use Carts.

1.59 ORGANIC WASTE OR GREEN CONTAINER WASTE

'Organic Waste' or 'Organics' means solid wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, Food Waste, Green Material, landscape and pruning waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18882(a)(46); or that is collected in a green container as defined in 14 CCR 18982(a)(29). Biosolids and digestate are as defined by 14 CCR Section 18982(a). The term is used interchangeably with Green Container Waste.

1.60 ORGANICS MATERIAL PROCESSING FACILITY

"Organic Materials Processing Facility" means a permitted Facility where Organic Material is sorted, mulched, or separated for the purposes of Recycling, reuse or composting.

1.61 PERSON

"Person" means any individual, firm, limited liability company, partnership, public or private corporation, business trust, join venture, organization, organization, the United States, the State of California, the County of Los Angeles, or any political subdivision, government agency, municipality, and special purpose districts.

1.62 PREMISES

"Premises" means any parcel of land, building and/or structure or portion thereof, in the City where Solid Waste is produced, generated or accumulated.

1.63 PROCESS, PROCESSED, OR PROCESSING

"Process", "Processed" or "Processing" means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

1.64 RATE YEAR

"Rate Year" means the period July 1 to June 30, for each year during the Term of this Agreement.

1.65 RECYCLABLES OR BLUE CONTAINER WASTE

'Recyclable Materials' or 'Recyclables' means non-putrescible and non-hazardous recyclable wastes, including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section 18982(a)(43); or that is collected in a blue container as defined in 14 CCR 18982(a)(5). The term is used interchangeably with Blue Container Waste or materials. See Exhibit 4 for accepted and prohibited materials. The City and Contractor agree to meet from time to time as needed, and in good faith consider modifications to the list in Exhibit 4 of acceptable Recyclable Material to address developments in processing technologies, emerging uses for various types of materials, changes in available markets, or other relevant issues.

1.66 RECYCLE, RECYCLING

“Recycle” or “Recycling” means the process of Collecting, sorting, cleansing, treating, Processing and reconfiguring materials for the purpose of returning them to the economic mainstream in the form of raw material for new, Reused, or reconstituted products that meet the quality standards necessary to be used in the marketplace. Recycling includes processes deemed to constitute a reduction of Landfill Disposal pursuant to 14 CCR, Division 7, Chapter 12, Article 2. Recycling does not include gasification or transformation as defined in Public Resources Code Section 40201.

1.67 REFUSE OR GRAY CONTANER WASTE

‘Refuse’ means discarded waste or garbage that may contain nonorganic material, or processed industrial materials or that is collected in a gray container as defined in 14 CCR 18982 (a)(28). The term is used interchangeably with Gray Container Waste. “Refuse” does not include sewage, Construction and Demolition Debris, Recyclable Materials, and/or Organic Materials placed in source-separated Containers for Collection.

1.68 RENEWABLE NATURAL GAS OR RNG

“Renewable Natural Gas” or “RNG” means gas derived from Organic Waste that has been Diverted from Landfill Disposal and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

1.69 RESIDENTIAL

"Residential" refers to services performed at and for Residential Premises, which include both single-family and Multi-Family Premises.

1.70 RESIDUAL OR RESIDUE

“Residual” or “Residue” means the Solid Waste destined for Disposal, further Transfer/Processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31), or transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials.

1.71 ROLL-OFF BOX

“Roll-Off Box” means an open or closed-top metal Container, roll-top Container, or closed compactor Container serviced by a roll-off truck and with a Container capacity of 10 cubic yards or more. Roll-Off Boxes are also known as drop boxes or debris boxes.

1.72 SINGLE-FAMILY, SINGLE-FAMILY DWELLING

"Single-Family," or "Single-Family Dwelling," means, for purposes of this Agreement, notwithstanding any contrary definition in a City of Diamond Bar Municipal Code, any detached or attached house or residence designed or used for occupancy by one (1) family, provided that Collection Service feasibly can be provided to such Premises as an independent unit, and the owner or occupant of such independent unit is billed directly for the Collection Service. "Single-Family," or "Single-Family Dwelling," includes Residential units of a duplex, tri-plex, or four-plex Residential structure.

1.73 SENATE BILL 1383 (SB1393)

"SB 1383" means the Short-Lived Climate Pollutants Act of 2016 (Chapter 395, Statutes of 2016), as it may be amended, supplemented, superseded, or replaced from time to time.

1.74 SOLID WASTE

"Solid Waste" means all Solid Wastes generated by Residential, Commercial, and industrial sources, including Refuse, Recyclable Materials and Organic Materials, and all Solid Waste generated at construction and demolition sites, which are Collected and Transported under the authorization of the City or are self-hauled by residents or contractors. Municipal Solid Waste does not include agricultural crop residues, mining waste and fuel extraction waste, forestry wastes, ash from industrial boilers, furnaces and incinerators or Hazardous Material, any waste which is not permitted to be Disposed of at a Class III Landfill and which fall within the definition of "Nonhazardous Solid Waste" set forth in Title 23, Chapter 15, Section 2523(a) of the California Code of Regulations as amended or designated Class II wastes. Materials shall be deemed "Solid Waste" consistent with the meaning of California Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such, whether or not they may be potentially Recyclables, in either of the following instances: (a) the material is mixed or commingled with other types of Solid Waste such that more than 65% of the material consists of Solid Waste rather than Recyclables, or (b) the payment of a fee, charge, or other consideration, in any form or amount, is directly or indirectly solicited or received from the generator by any Person or combination of Persons in exchange for Collection, removal, Transportation, storage, Processing, handling, consulting, Container rental or Disposal services ("fee for service" Recycling), whether or not arranged by or through a subcontractor, broker, agent, consultant, or affiliate of the provider of such service.

1.75 SOLID WASTE SERVICES

"Solid Waste Services" means the Collection, Transfer, Transport, Recycling, Processing, and Disposal of Solid Waste.

1.76 STATE

"State" means the State of California.

1.77 TRANSFER STATION

“Transfer Station” means a Facility that receives Solid Waste from Collection vehicles and transfers the material to larger vehicles for Transport to Landfills and other destinations. Transfer Stations may or may not also include MRFs transferring residual Refuse (Refuse left after the sorting of Recyclable Materials) to Landfills and Recyclable Materials, including Organic Materials and/or Construction and Demolition Debris, to processors, brokers, or end-users.

1.78 TRANSPORT OR TRANSPORTATION

“Transport” or “Transportation” means the act of conveying Collected materials from one location to another.

1.79 TRANSFORMATION

“Transformation” means incineration, pyrolysis, distillation, gasification, or biological conversion other than composting. “Transformation” does not include composting.

1.80 UNIVERSAL WASTE OR U-WASTE

“Universal Waste” or “u-waste” means any of the following waste that are conditionally exempt from classification as hazardous wastes pursuant to Title 22 of the California Code of Regulations (22 CCR), § 66261.9: (i) batteries as described in 22 CCR § 66273.2; (ii) thermostats as described in 22 CCR § 66273.4; (iii) lamps as described in 22 CCR § 66273.5; and (iv) cathode tube materials as described in 22 CCR § 66273.6; (v) Electronic Waste or E-waste as defined in Section 1.40.

1.81 WORK DAY(S)

“Work Days” or “Working Days” means days on which the CONTRACTOR is required to provide regularly scheduled Collection services under this Agreement.

1.82 WASTE GENERATOR

"Waste Generator" means any Person as defined by the Public Resources Code, whose act or process produced Solid Waste as defined in the Public Resources Code, or whose act first causes Solid Waste to become subject to regulation.

1.83 YARD WASTE OR GREEN WASTE

“Yard Waste” or “Green Waste” means leaves, grass clippings, brush, branches, and other forms of Organics Materials generated from landscapes or gardens, which have been Source-Separated from other Solid Waste. Yard Waste is a subset of Organics Materials and excludes Hazardous Materials. See Exhibit 4 for accepted and prohibited materials.

ADDENDUM #1

ARTICLE 2: GRANT AND ACCEPTANCE OF FRANCHISE

2.1 GRANT AND ACCEPTANCE OF FRANCHISE, INDEMNITY OF AWARD

Subject to the terms and conditions of this Agreement (including but not limited to the exclusions set forth in Section 2.9 hereof) and applicable State laws, and to the rights of State, county and school district facilities to use a Solid Waste enterprise other than Contractor, City hereby grants to Contractor and Contractor hereby accepts from City, for the Term hereof, the exclusive Franchise, right and privilege to provide Solid Waste Services as defined in this Agreement within the boundaries of the City (the “Franchise”).

Contractor agrees to and shall timely take all actions that are reasonably necessary to defend the validity and enforceability of this Agreement and shall pay all costs related to such defense. To the maximum extent permitted by law, Contractor shall defend, indemnify, protect and hold harmless, the City, its officers, agents and employees from any and all claims, actions or proceedings to attack, set aside, void, annul or seek monetary damages resulting from an approval by the City of this Agreement, including but not limited to any action brought by referendum or under Proposition 218 (Calif. Const. Art. XIIID) to challenge the City’s entry into this Agreement or the setting of Solid Waste rates as set forth in this Agreement. The City shall promptly notify Contractor of any such claim, action, or proceeding. The City and Contractor shall meet in good faith in an effort to come to a mutual agreement for a joint defense; provided that the City shall be entitled to select legal counsel of its choice to conduct the defense if an agreement cannot be reached. Contractor’s obligations to pay all costs, defend, indemnify, protect and hold harmless under this section shall not be altered in the event City retains separate counsel. Contractor hereby accepts the Franchise on the terms and conditions set forth in this Agreement.

2.2 EXCLUSIVE NATURE OF FRANCHISE

During the term of this Agreement, except as otherwise provided in Section 2.9 below, or as may otherwise be provided by federal or state law, the rights granted to the Contractor under this Agreement shall be exclusive to the Contractor. The City will not let any contract to, or enter into any agreement with, any other Person for the performance of the services herein required to be performed by the Contractor.

To the extent permitted under state or federal law, the City shall protect the Contractor’s exclusive rights by proper ordinances, and may take action to enforce those ordinances upon request and at the City’s sole and absolute discretion. Should the City take administrative, law enforcement, or other legal action against any Person that infringes on the Contractor’s exclusive rights, the Contractor shall reimburse the City for its reasonable administrative, law enforcement, or other legal costs related to any such action. To the extent permitted under state or federal law, nothing herein shall preclude Contractor from taking such legal action against third parties as it deems appropriate to protect the exclusive nature of its Franchise.

2.3 EFFECTIVE DATE

The effective date of this Agreement shall be thirty (30) days after the date which the City Council approves this Agreement.

2.4 TERM OF AGREEMENT

The term of this Agreement shall be ten (10) years, commencing beginning September 1, 2025, and terminating on August 31, 2035, subject to extension as provided herein. Notwithstanding the foregoing, the unexcused failure or refusal of Contractor to perform any material term, covenant, obligation, or condition contained in this Agreement shall give rise to the right, in favor of City, for earlier termination of this Agreement for cause in accordance with the procedures elsewhere contained herein.

2.5 CITY'S OPTION TO EXTEND TERM

City shall have the sole option to extend the Term for up to twenty-four (24) months following expiration of the Term under Section 2.4. The City may, upon at least ninety days (90-days) advance written notice to the Contractor prior to the expiration of the Term, exercise this extension option. If City provides this extension notice, this Agreement will automatically renew up to a maximum of twenty-four (24) months. This extension period shall terminate, upon the earlier of: (i) the expiration of the aforementioned twenty- four (24) months, or (ii) ninety (90) days following the date upon which City gives Contractor written notice of final termination.

2.6 REPRESENTATIONS AND WARRANTIES OF CONTRACTOR

Contractor hereby covenants, represents, and warrants the following to City for the purpose of inducing City to enter into this Agreement and to consummate the transaction contemplated hereby, all of which shall be true as of the date of this Agreement and as of the effective date:

A. Contractor is validly existing as a corporation under the laws of the State of California.

B. Neither the execution of this Agreement nor the delivery by Contractor of services nor the performance by Contractor of its obligations hereunder: (1) conflicts with, violates or results in a breach of any Applicable Law; (2) conflicts with, violates or results in a breach of any term or condition of any judgment, decree, agreement (including, without limitation, the certificate of incorporation of Contractor) or instrument to which Contractor is a party or by which Contractor or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument; or (3) will result in the creation or imposition of any encumbrance of any nature whatsoever upon any of the properties or assets of Contractor.

C. There is no action, suit or other proceeding as of the date of this Agreement, at law or in equity, or to the best of Contractor's knowledge, any investigation, before or by any court or governmental authority, pending or threatened against Contractor or ________________ [parent/guaranteeing company] which is likely to result in an unfavorable decision, ruling or finding which would materially and adversely affect the validity or enforceability of this Agreement or any such agreement or instrument entered into by Contractor or ________________ [parent/guaranteeing company] in connection with the transactions contemplated hereby, or which could materially and adversely affect the ability of Contractor to perform its obligations hereunder or which would have a material adverse effect on the financial condition of Contractor or ________________ [parent/guaranteeing company].

D. Contractor has no knowledge of any Applicable Law in effect as of the date of this Agreement that would prohibit the performance by Contractor of this Agreement and the transactions contemplated hereby.

E. Contractor has made an independent investigation, satisfactory to it, of the conditions and circumstances surrounding this Agreement and the work to be performed by it, and is satisfied that those conditions and circumstances will not impair its ability to perform the work and provide the Collection services required by this Agreement.

F. The information supplied by Contractor in all submittals made in connection with negotiation and execution of this Agreement, including all materials in Exhibits of this Agreement, and all representations and warranties made by Contractor throughout this Agreement are true, accurate, correct and complete in all material respects on and as of the effective date of this Agreement. Note that inaccuracies in Contractor’s Proposal, such as material omissions of past and pending litigation as requested under the Request for Proposals through which this Agreement was procured, are grounds for termination of this Agreement.

G. Contractor’s representative, designated in Section 14.3 shall have authority in all daily operational matters related to this Agreement. City may rely upon action taken by such designated representative as action of Contractor unless the actions taken are not within the scope of this Agreement.

2.7 CONDITIONS TO EFFECTIVENESS OF AGREEMENT

The obligation of City to permit this Agreement to become effective and to perform its undertakings provided for in this Agreement is subject to the satisfaction of each and all of the conditions set out below, each of which may be waived in whole or in part by City.

A. Accuracy of Representations. Representations and warranties made by Contractor throughout this Agreement are accurate, true and correct on and as of the effective date of this Agreement.

B. Absence of Litigation. There is no litigation pending in any court challenging the award of this Franchise to Contractor or the execution of this Agreement or seeking to restrain or enjoin its performance.

C. Furnishing of Insurance, Bond, and Letter of Credit. Contractor shall have furnished evidence of the insurance, bonds, deposit and letter of credit as required by Article 11, and shall comply with all ongoing requirements relating thereto.

D. Effectiveness of City Council Action. City's Resolution approving this Agreement shall have become effective pursuant to California law.

2.8 DELEGATION OF AUTHORITY

The administration of this Agreement by City shall be under the supervision and direction of the City Manager's office and the actions specified in this Agreement, unless otherwise stated, shall be taken by the Contract Administrator, or his or her designee.

2.9 LIMITATIONS TO THE SCOPE

Notwithstanding any provision to the contrary contained in this Agreement, the exclusive franchise, right and privilege to provide Solid Waste Services at Premises within City granted to Contractor by this Agreement specifically excludes the following services, which services may be provided by Persons other than Contractor and which may be subject of other permits, licenses, franchises or agreements issued or entered by City:

A. The sale or donation of Recyclable Materials or Organics Materials by the Generator to any person or entity other than Contractor ; provided, however, to the extent permitted by law, if the Generator is required to pay monetary or non-monetary consideration for the Collection, Transport, Transfer, or Processing of Recyclable Materials or Organics Materials, the fact that the Generator receives a reduction of discount in price (or in other terms of the consideration the Generator is required to pay) shall not be considered a sale or donation and shall not be exempt.

B. Solid Waste that is removed from any Premises by the Generator, by means of "self-hauling" (as described in the City of Diamond Bar Municipal Code), and Transported personally by such Generator (or by his or her full-time employees, but not a subcontractor) to a Processing or Disposal Facility in a manner consistent with all applicable laws and regulations.

C. Yard Waste removed from the Premises by a gardening, landscaping, or tree trimming contractor, utilizing its own equipment, as an incidental part of a total service offered by that contractor rather than as a hauling service.

D. The Collection, Transfer, Transport, Recycling, Processing, and Disposal of animal waste remains from slaughterhouse or butcher shops for use as tallow.

E. The Collection, Transfer, Transport, Recycling, Processing, and Disposal of by-products of sewage treatment, including sludge ash, grit and screenings.

F. The Collection, Transfer, Transport, Recycling, Processing, and Disposal of Hazardous Substances, Hazardous Waste, and radioactive waste regardless of its source.

G. Construction and Demolition Debris which is removed by a duly licensed construction or demolition company or as part of a total service offered by said licensed company or by the City, where the licensed company utilizes its own equipment in compliance with Construction and Demolition Debris requirements of the City of Diamond Bar Municipal Code.

ADDENDUM #1

H. The Collection, Transfer, Transport, Recycling, Processing, and Disposal of Solid Waste by the City through City officers or employees in the normal course of their employment.

I. Solid Waste Services for governmental agencies, other than the City, which may have facilities in the City, but over which the City has no jurisdiction in connection with the regulation of Solid Waste.

J. Solid Waste Services for Solid Waste originating outside the City from hauling such Solid Waste over City streets, provided such collectors comply with any governing laws and/or ordinances.

K. Containers delivered for Recycling under the California Beverage Container Recycling Litter Reduction Act (California Public Resources Code, Section 14500, et seq.).

L. Edible Food which is collected from a Generator by other person(s), such as a person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery, or which is Transported by the Generator to another person(s), such as a person from a Food Recovery Organization, for the purposes of Food Recovery, regardless of whether the Generator donates, sells, or pays a fee to the other person(s) to collect or receive the Edible Food from the Generator.

M. Food Scraps that are separated by the Generator and used by the Generator or distributed to other person(s) for lawful use as animal feed, in accordance with 14 CCR Section 18983.1(b)(7). Food Scraps intended for animal feed may be Self-Hauled by Generator or hauled by another party.

N. Contractor's right to Collect and/or Dispose of Solid Waste shall not be exclusive in the event of failure to Collect under Article 12 of this Agreement during which Contractor fails to maintain substantially complete regular Collection services pursuant to this Agreement and the Collection schedules then in effect, for any reason, including a strike by Contractor's employees or similar labor dispute. The City may provide for Collection and/or Disposal services from persons other than Contractor during such periods, including Contractor's Bin and/or Roll-Off Box Service Customers.

Contractor acknowledges and agrees that City may permit other Persons besides Contractor to Collect any or all types of the Solid Waste listed in this Section 2.9 as exempt from Contractor's Franchise, including Recyclable Materials, without seeking or obtaining approval of Contractor under this Agreement. This grant to Contractor of an exclusive Franchise, right and privilege to Collect, Transport, or Process and Dispose of Solid Waste shall be interpreted to be consistent with all Applicable Laws, now and during the term of the Franchise, and the scope of this exclusive Franchise shall be limited by current and developing Applicable Laws with regard to Solid Waste handling, exclusive Franchise, control of Recyclable Materials, Solid Waste flow control, and related doctrines. In the event that future interpretations of current law, enactment or developing legal trends limit the ability of City to lawfully provide for the scope of Franchise services as specifically set forth herein, Contractor agrees that the scope of the Franchise will be limited to those services and materials which may be lawfully provided for under this Agreement, and that City shall not be responsible for any lost profits claimed by Contractor to arise out of further limitations of the scope of the

Agreement set forth herein. In such an event, it shall be the responsibility of Contractor to minimize the financial impact to other services being provided as much as possible.

2.10 CITY'S RIGHT TO DIRECT CHANGES

2.10.1 GENERAL

City may direct Contractor to perform additional services (including new Diversion programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Generators are included among the kinds of changes which City may direct. Contractor acknowledges that State law may increase the Diversion requirement during the term of this Agreement and Contractor agrees to propose services to meet such Diversion requirements.

Contractor shall be entitled to an adjustment in its Contractor Compensation for providing such additional or modified services, if Contractor demonstrates that its cost of service would increase, as set forth in Sections 2.10.2 and 2.10.3. City may utilize cost components included in the Contractor's Proposal in calculating equitable rate adjustments.

2.10.2 NEW DIVERSION PROGRAMS

Contractor shall present, within sixty (60) days of a request to do so by City, a proposal to provide additional or expanded Diversion services. The proposal shall contain a complete description of the following:

- Collection methodology to be employed (equipment, staffing, etc.).
- Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- Labor requirements (number of employees by classification).
- Type(s) of Containers to be utilized.
- Type(s) of material to be Collected.
- Provision for program publicity/education/marketing.
- Projection of the annual financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- Any other information reasonably requested by the Executive Director.

2.10.3 CITY'S RIGHT TO ACQUIRE SERVICES

At any time during the Term of this Agreement, City may permit other Persons besides Contractor to provide additional Solid Waste Services not otherwise contemplated under this Agreement. If pursuant to Sections 2.10.1 and 2.10.2, Contractor and City cannot agree on terms and conditions of such services within ninety (90) days from the date when City first requests a proposal from Contractor to perform such services, Contractor acknowledges and agrees that City may permit Persons other than Contractor to provide such services, which shall be considered exempt from the exclusivity provisions of Section 2.9.

2.11 OWNERSHIP OF SOLID WASTE AND CITY'S RIGHT TO DIRECT SOLID WASTE

Once Solid Waste is placed in Containers and properly placed at the designated Collection location, ownership and the right to possession shall transfer directly from the Waste Generator to Contractor by operation of this Agreement. Subject to Contractor's objective to meet the Source Reduction and Recycling goals which apply to City and City's right to direct Contractor to Process and Dispose of Solid Waste at a particular licensed Solid Waste facility or to Dispose of Solid Waste at a particular licensed Disposal Site, if and only if City exercises such right by providing specific written direction to Contractor, Contractor is hereby granted the right to retain, Recycle, Process, Dispose of, and otherwise use such Solid Waste, or any part thereof, in any lawful fashion or for any lawful purpose desired by Contractor; this does not impact Contractor's right to retain Recyclable Materials revenue under 5.3. Subject to the provisions of this Agreement, Contractor shall have the right to retain any benefit resulting from its right to retain, Recycle, Process, Dispose of, or reuse the Solid Waste which it Collects. Solid Waste which is delivered to a Disposal Site or sites (whether Landfilll, Transformation Facility, Transfer Station, Organic Materials Processing Facility or Material Recovery Facility) shall become the property of the Owner or operator of the Disposal Site(s) once deposited there by Contractor. City may obtain ownership or possession of Solid Waste placed for Collection upon written notice of its intent to do so, however, nothing in this Agreement shall be construed as giving rise to any inference that City has such ownership or possession unless such written notice has been given to Contractor.

City has the option to provide written direction to the Contractor specifying a Facility for handling, Processing, and Disposal of Solid Waste. If City directs Contractor to a Facility other than a Designated Facility as listed in Exhibit 3 of this Agreement, or otherwise requested by Contractor, and in doing so it adversely affects the ability of the Contractor to meet either or both of the requirements of Section 11.1.3 and Section 5.2, then in this event the City and Contractor shall meet and confer and mutually agree on revised obligations for Sections 11.1.3 and 5.2. The foregoing notwithstanding, in the event City directs Contractor to a Facility other than a Facility listed in this Agreement or otherwise requested by Contractor, then Contractor shall be entitled to a rate adjustment based upon any increase or decrease in costs associated with handling, Processing, Disposal and Transportation.

2.12 CONTRACTOR'S CORPORATE STATUS

Contractor represents and warrants that it is duly organized, validly existing and in good standing under Applicable Laws. It is qualified to transact business in the State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

ADDENDUM #1

2.13 CONTRACTOR CORPORATE AUTHORIZATION

Contractor represents and warrants that it has the authority to enter into and perform its obligations under this Agreement. The Board of Directors or partners of Contractor (or the shareholders, if necessary) have taken all actions required by Applicable Law, its articles of incorporation, and its bylaws or otherwise to authorize the execution of this Agreement. The Persons signing this Agreement on behalf of Contractor have authority to do so. Contractor shall authorize one employee for the City as a single point of contact for issues arising under this Agreement. City may accept that this employee's actions are taken on behalf of and with the full approval of the Contractor.

2.14 ANNEXATIONS

This Agreement extends to any territory annexed to the City during the term of this Agreement except to the extent that Collection by Contractor within that annexed territory would violate the provisions of Public Resources Code Section 49520. In such event, this Agreement shall become effective as to such area at the earliest possible date permitted by law, and City agrees that it shall cooperate with Contractor to fulfill any requirement necessary for Contractor to serve the annexed area consistent with this paragraph.

2.15 PERMITS AND LICENSES

Contractor shall acquire and maintain all necessary permits and licenses for the Collecting, Transporting, Recycling, Processing, Disposing, and storing of Solid Waste as required under this Agreement. Failure to maintain all required permits shall be deemed a material breach of contract for which City may terminate this Agreement as provided in Section 13.3. Contractor must follow requirements of the City of Diamond Bar Municipal Code, including, but not limited to, obtaining a City of Diamond Bar business license.

ARTICLE 3: SCOPE OF COLLECTION SERVICES

3.1 SERVICES TO BE PROVIDED – GENERAL

The work to be done by Contractor pursuant to this Agreement shall include, but not be limited to, the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services required. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve Contractor of the duty to furnish all others, as may be required, whether enumerated elsewhere in the Agreement or not, unless excused in accordance with Article 13.8.

The work to be done by Contractor pursuant to this Agreement shall be accomplished in a thorough and professional manner so that Customers within City are provided reliable, courteous and high-quality Solid Waste Services at all times. The enumeration of, and specification of requirements for, particular aspects of service quality shall not relieve Contractor of the duty of accomplishing all other aspects in the manner provided in this section, whether such other aspects are enumerated elsewhere in the Agreement or not.

3.2 SINGLE-FAMILY DWELLING COLLECTION SERVICE

Contractor shall provide a three-Container Collection program for the separate Collection of Refuse, source separated Recyclable Materials, and source-separated Organic Waste using Containers that comply with the requirements of Section 4.3. Single Family Dwelling includes multi-family dwellings of four or less units. Recyclable Materials and Organic Waste acceptable for collection are listed in Exhibit 4.

Collection frequency shall be not less than once per week from Carts placed at a suitable location, which is typically on the curb, but may be in the street against the curb or in an alley. If a Customer and Contractor cannot agree upon the designated collection location, City shall make the final determination of the designated collection location.

Recycling Carts and Organics Carts shall be collected on the same day as Refuse carts.

3.2.1 CART SIZES

Contractor shall provide at minimum one 65-Gallon Cart for Refuse, one 65-Gallon Cart for Recyclables, and one 65-Gallon Cart for Organics. At Customers request, Contractor shall provide as a substitute 35 or 96-gallon Carts for Refuse Collection and / or 96-gallon for Recyclables or Organics Collection. The rate for the Collection of all three Carts shall be based on the size of the Refuse Cart. Customers may request and Contractor shall provide a second Recyclables and or Organics Cart at no additional charge. Additional Carts beyond one (1) for Refuse, two (2) for Recycling, and two (2) for Organics Collection may be requested at an additional monthly fee.

3.2.2 CART COLOR

Carts shall comply with CalRecycle color and labeling requirements under SB 1383. Contractor shall provide blue Carts for the Collection of Recyclable Materials, green Carts for the Collection of Organic Waste and gray or black Carts for the Collection of Refuse. Alternatively, Contactor may provide Carts with blue, green, and gray or black lids to meet the Container color requirement.

3.2.3 REFUSE CART OVERAGE

Residential Customers using Carts are entitled to two annual pickups per calendar year and an end-of-year pickup of material that does not fit in the Refuse Cart(s) at no additional cost, as provided in this Section 3.2.3. A pickup shall consist of up to the equivalent of three (3) large bags, boxes or barrels of Refuse and placement of more than that amount at any one time shall constitute two pickups. In addition to the two (2) free pickups, Contractor shall Collect all additional Refuse placed out for Collection in the Customer’s own Containers (bags, boxes, barrels, etc.) at no additional charge for two weeks beginning each December 26. This service is limited to Refuse that could otherwise be placed in the Refuse Cart, and not Bulky Items which are Collected in accordance with Section 1.12 and 3.6. Contractor shall Collect, and Customers may be charged an extra fee per pickup (in accordance with the approved rate schedule for overage pickups) of, all Refuse put out for Collection that does not fit in the Refuse Cart(s) above and beyond the free pickups described above. Customer shall be instructed to call in both free and additional overages. However, if not called in, Contractor shall Collect and record pickup per Section 4.1.6.

3.2.4 BACKYARD SERVICE

Backyard service means the Contractor removes all Collection Carts, Green Waste bundles and Refuse Cart Overages per Section 3.2.3 from a Cart Customer's designated Collection location other than curbside, such as backyard, side yard, or drive, for Collection, and returns Carts and other containers when Collection is complete. Contractor may charge customers requesting backyard service in accordance with the approved rate schedule, unless the Customer falls under the exception described in Section 3.2.5 below.

3.2.5 BACKYARD SERVICE FOR DISABLED PEOPLE

Contractor shall provide disabled Customers with backyard service at no additional charge. Contractor will remove Refuse, Recyclable and Organic Waste Containers, Green Waste bundles and Refuse Cart Overages per Section 3.2.3 from Customer's storage area, place them out for Collection, and return Containers to Customer's storage area after Collection, ensuring that all doors or gates are closed securely. In order to qualify as disabled under this section, Customers must have been issued handicap placard from the Department of Motor Vehicles or otherwise obtain approval to receive such service from the City, following a verification site visit by Contractor's route supervisor. Additionally, walk-out service need not be provided if an able-bodied adult resides with the disabled Customer.

3.2.6 DOOR-TO-DOOR HHW COLLECTION

Contractor shall provide Residential Customers with door-to-door call-in HHW Collection service. Each Residential Dwelling Unit shall be entitled to two door-to-door Residential HHW pickups per calendar year at no additional charge. Items to be Collected include, at a minimum: Syringes and other Home Generated Sharps; paint and paint products including but not limited to thinners, glues, caulking, stains, wood preservatives and strippers; universal waste, household cleaners; automotive wastes; swimming pool chemicals; garden chemicals; fluorescent tubes; thermometers; and household batteries; and Electronic Waste.

Contractor may direct Residential Customers to use the Bulky Item pickup option for televisions, computers and other HHW that may safely and legally be Collected as Bulky Items as described in Section 3.6.

ADDENDUM #1

3.2.7 ANNUAL HOUSEHOLD HAZARDOUS WASTE EVENT

Contractor will assist the City in increasing awareness of Household Hazardous Waste events by promoting the Los Angeles County Household Hazardous Waste collections held in Diamond Bar. Promotional activities will include: posting on Contractor's website, inclusion in the Annual Brochures/ Mailings mailed to each Residential Customer, billing inserts, social media targeted outreach, and press releases to local news outlets.

3.2.8 CURBSIDE USED OIL AND OIL FILTER COLLECTION

Contractor shall Collect used oil placed curbside beside Refuse Collection Cart by Customers on the regular Collection day at no additional charge. Contractor shall educate Customers to place used oil in clean containers and used oil filters in clean zip -lock bags.

3.2.9 HOME GENERATED SHARPS MAIL BACK PROGRAM

Contractor will implement a program for Collection and safe processing of Home Generated Sharps generated by its Residential Customers, through a mail-based program and/or a drop-off program. Residential Customers requesting this service may apply to Contractor to participate in this program, and Sharps containers will be delivered directly to them at no cost to the Customer or City. Through a drop-off program, Contractor will make arrangements with pharmacies and/ or other locations throughout the City for Residential Customers to drop-off Sharps at no cost to the Customer or City.

3.2.10 MEDICATION TAKEBACK PROGRAM

Contractor will assist the City in increasing awareness of medication takeback programs provided by the Los Angeles County Sheriff's station and any third-party events held in Diamond Bar. Promotional activities will include: posting on Contactor's website, inclusion in the Annual Brochures/ Mailings mailed to each Residential Customer, billing inserts, social media targeted outreach, and press releases to local news outlets.

3.2.11 FREECYCLE.COM

Contractor will publicize to Residential Customers its free materials exchange/ gifting program, known as FreeCycle.org, and shall promote FreeCycle.org Contractor' s website, and the Annual Brochure/Mailings described in Section 6.3.1.D.

3.2.12 ANNUAL HOLIDAY TREE COLLECTION

Contractor shall provide holiday tree Collection from December 26 through the second Sunday in January. During this period, all holiday trees placed out for Collection by Residential Customers shall be Collected by Contractor. After this period, trees will be Collected as Bulky Items under Section 3.6. Trees up to seven (7) feet in length will be Collected and Diverted without Customers needing to cut them. Contractor may request that Customers with larger trees cut the trees to pieces no longer than seven (7) feet. Contractor will Divert all holiday trees from Landfill Disposal.

3.2.13 MULCH GIVE-A-WAY

[TO BE UPDATED BASED ON PROPOSALS]

Contractor shall distribute free mulch to Residential Customers. Contractor shall distribute coupons through quarterly Billings entitling Residential Customers to receive two bags per event at two community events per year to be identified by City.

3.3 COMMERCIAL AND MULTI-FAMILY COLLECTION SERVICES

Contractor shall provide a three-Container Collection program for the separate Collection of Refuse, source separated Recyclable Materials, and source-separated Organic Waste using Containers that comply with the requirements of Section 4.3. Contractor shall provide a program sufficient to enable City and Customers to meet or exceed the requirements of SB 1383 as of the start of Collection services under this Agreement. Commercial Premises includes multi-family dwellings of five or more units. Recyclable Materials and Organic Waste acceptable for collection are listed in Exhibit 4.

Collection frequency shall be at least once per week and more frequently if required to the waste generated at the Premises where the Containers are located. To resolve a dispute between Contractor and Customers, or if the City has health or safety concerns, City shall make final determination as to the number and size of Containers, frequency of Collection to be provided to Customers. Special consideration shall be given when determining the pickup areas to ensure that the flow of traffic is not impeded.

3.3.1 BIN SIZES

Contractor shall provide 1, 1.5, 2, 3, 4 and 6 cubic yard Bins upon request. Contractor will service Bins equipped with compaction devices (known as compactors) that attach to the Bins if requested by Customer. The provision, sale, or lease of the compaction device itself is outside this Agreement. Contractor is not required to provide the compaction device.

3.3.2 COMMERCIAL AND MULTI-FAMILY PREMISES CART SERVICE

Contractor shall offer Collection in Carts to Customers at Commercial Premises and Multi-Family Premises of five units or more that do not have space for, or do not generate enough waste to require the use of Bins for Collection. If Contractor and Customer have a disagreement as to whether Cart service is appropriate, or if City determines that Collection in Carts causes health and safety or other concerns, City shall make the final determination as to whether Collection in Carts may occur.

ADDENDUM #1

3.3.3 CONTAINER COLOR

Bins and Carts shall comply with CalRecycle color and labeling requirements under SB 1383. Contractor shall provide blue Containers for the Collection of Recyclable Materials, green Containers for the Collection of Organic Waste and gray or black Containers for the Collection of Refuse. Alternatively, Contactor may provide Containers with blue, green, and gray or black lids to meet the Container color requirement.

3.3.4 SITE VISITS, EDUCATION AND OUTREACH – COMMERCIAL RECYCLING AND ORGANICS

[THIS SECTION SUBJECT MODIFICATION BASED ON PROPOSAL]

Contractor will promote Commercial Recycling and Organics programs and assist the City in providing reports on Customers' participation. Contractor shall conduct the planned tasks, and procedures contained in Exhibit 5 "AB 341, AB 1826, and SB 1383 Compliance Plan."

Annually, a Contractor representative will contact, via in-person meetings, all Multi-Family and Commercial Customers not subscribing to Recycling or Organics Collection service required under applicable CalRecycle requirements. The Contractor representative shall assist customers with selecting appropriate Containers and Container sizing, identifying acceptable Recyclables and Organics for Collection, and attempting to resolve any logistical detriments to providing Recyclables and Organics Collection service. Contractor shall provide a written proposal to each AB 341 and AB1826/SB 1383 non-compliant Commercial Customer annually. The proposal shall provide pricing for implementing Recycling and Organics service and reducing, or 'right-sizing', Refuse service to account for materials Diverted through the Contractor-provided programs; a proposed start date for the implementation of new Recycling services; a description of the requirements of AB 341 and AB 1826/SB 1383 any relevant City ordinances; a plan for training staff and/or residents; and any other components as directed by the City. A proposal template shall be approved by the City prior to initiation of services under this Agreement. Electronic copies of all service proposals from site visits that have been submitted to a Customer shall be provided to the City in an electronic storage format acceptable to the City, such as a cloud-based file sharing system that can be accessed by the City or its representatives.

If a Customer rejects the proposal from the Contractor or does not provide a response within 30 days of the Contractor submitting the proposal, and, after at least three documented attempts by the Contractor to follow-up with the Customer, the Customer continues to be non-responsive, the Contractor may refer the Customer to the City for Enforcement Action through any future ordinances that may be implemented by the City. Such a referral to the City by the Contractor for non-compliant accounts must include a written summary and timeline of the actions taken by the Contractor to implement an AB 341 and AB 1826/SB 1383-compliant program; a copy of the written proposal submitted to the Customer by the Contractor; and any written correspondence from the Customer to the Contractor. If, after the City begins enforcement proceedings against the Customer, the Customer agrees to comply and implement an AB 341 and AB 1826/SB 1383-compliant program, the

City will notify the Contractor of the Customer's willingness to comply and the Contractor will coordinate with the Customer to implement an AB 341 and AB 1826/SB 1383-compliant program.

Contractor will incorporate education regarding Recyclables and Organics Collection and the State requirements into materials produced under Section 6.3 and will develop its own Recycling and Organics-specific instructional materials for use in educating participating Customers.

All Organics Recycling participants shall receive ongoing, on-site training from Contractor for management, kitchen staff, service employees, janitors, etc. Annually, Contractor will create and distribute a letter to all Customers that are enrolled in the Contractor's Organics Recycling program to offer re-training services, printed collateral such as signage and posters, and general technical assistance. Additional materials may include instructional posters, brochures, educational presentations, bin signage, enclosure signage, stickers to be attached to internal recycling receptacles, or other formats as mutually agreed to between City and Contractor. All outreach materials must be submitted for review and approval by City prior to distribution.

Contractor shall provide a report, on City-approved forms, to the City noting the time, Customer contact, name of Contractor's staff that contacted the Customer, and result of each meeting and, if the Customer will not agree to a meeting, provide the time of contact, Customer contact name and number, and reason for not accepting a meeting. Reports will be updated on a quarterly basis and submitted with Contractor quarterly reports to the City. Contractor will report all Customers that have service levels within the thresholds of AB 341 on reporting forms provided by the City on a quarterly basis. The report will document whether the Customer receives Recycling service from the Contractor, self-recycles, or receives Recycling from a third party. Any internal Recycling programs or third-party recycling programs that the Contractor encounters while conducting Customer site visits shall be documented using a City-approved electronic reporting form and provided in an electronic format such as a cloud-based file-sharing system that can be accessed by the City or its representatives.

3.3.5 PROCESSING OF MIXED WASTE

Contractor shall Process mixed Solid Waste at a Material Recovery Facility for those Commercial Customers that do not subscribe to a Source-Separated Recycling program, or otherwise participate in a qualifying Recycling program in accordance with AB 341.

3.3.6 SCOUT SERVICE

Upon request, Contractor shall provide scout service, whereby Contractor will access Containers using a small vehicle either to move Containers to street or other public right-of-way for Collection, or Collecting Solid Waste directly from Container storage location. Under no circumstance shall Containers remain in the public right-of-way or outside of Container storage location for a period exceeding two (2) hours. In the event of a dispute between Contractor and Customer as to whether scout service will be used, Contractor Administrator will make the final determination.

ADDENDUM #1

Contractor is responsible for verifying that an encroachment permit has been obtained from the City prior to placing a Container in the public right-of-way. If the Customer has not obtained an encroachment permit, the Contractor shall inform the Customer that the Container shall not be placed in the public right-of-way until the Customer provides Contractor with verification of an encroachment permit, instructing the Customer as to how to obtain the permit. A copy of the encroachment permit shall be affixed to the Container.

3.3.7 BIN PUSHOUT SERVICE

Contractor may not charge a fee for pushing or rolling Bins to point of Collection.

3.3.8 LOCKING BINS

Contractor shall provide locking Bin Service (providing the hasp and lock and servicing the lock) to Customers that request such service in accordance with the approved rate schedule, based upon a monthly fee per locking Bin.

3.3.9 REDELIVERY/RETURN TRIP FEE

Contractor may charge a fee, per the approved rate schedule, in the event that Contractor arrives on time for a scheduled Collection of Bins or Roll-Off Boxes, is impeded from Collection due to Container being blocked or otherwise unable to be Collected due to issues within the Customer' s control, and Contractor must return for Collection prior to the Customers next scheduled Collection. Charge may be assessed for the trip, not per Bin, in the event of a Customer with multiple Bins.

3.4 ROLL-OFF BOX SERVICE

Contractor shall provide permanent and temporary Roll-Off Box Collection service upon request. When accepting an order for Roll-Off Box service, it shall be Contractor's duty to assist Customer with arranging service that maximizes the Diversion of Solid Waste from Landfill Disposal.

Contractor must deliver a temporary Roll-Off Box to a Customer within forty-eight hours of request (excluding Saturday, Sunday, and Designated Holidays). Contractor shall confirm that Customer has obtained an encroachment permit from the City prior to Contractor placing a Container in the public right-of-way.

The provision, sale, or lease of compactor Roll-Off Boxes, which are enclosed Containers attached to a compaction devise, is not included in this Agreement. Providing service to such compactor Roll-Off Boxes is included.

Rates shall be charged at a set rate for the service component (per pull) plus the per-ton charge (dump) based on actual tonnage Collected. Contractor may charge a fee in the event a scheduled Roll-Off Box Collection is impeded from Collection due to Container being blocked or otherwise unable to be Collected and Contractor must return for Collection. There will be no charges other than the specific charges identified in the approved rate schedule.

Roll-Off Boxes shall comply with SB 1383 color and labeling requirements.

3.5 TEMPORARY BIN SERVICE

Contractor shall provide temporary Bin Service to Customers upon request. Contractor must deliver a temporary Bin to a Customer within forty-eight (48) hours of request (excluding Saturday, Sunday, and Designated Holidays). Contractor shall confirm that Customer has obtained an encroachment permit from the City prior to Contractor placing a Container in the public right-of-way. There will be no charges other than the specific charges identified in the approved rate schedule.

3.6 ON-CALL BULKY ITEM PICKUP

Contractor shall provide Bulky Item pickup service to all Residential Customers. Each Residential Dwelling Unit shall be entitled to four Bulky Item pickups per calendar year at no additional charge.

Customers may put out up to four (4) Bulky Items at each pickup. Contractor may instruct Customers to provide Contractor with a minimum of one business days' notice for the items, which shall be Collected on the Customer's regular Collection day. Contractor shall Collect all Bulky Items as defined in Section 1.12 including items referred to as Electronic Waste or "E-waste."

The following provisions shall apply to this program:

1. No single item that cannot be handled by two workers will be accepted.
2. The following items will not be picked up: Hazardous Substances, Hazardous Waste, including waste oil or anti-freeze, with the exception of Bulky Items per Section 1.12 (including without limitation, universal wastes such as fluorescent bulbs, household batteries, and televisions, monitors and other items commonly referred to as "e-waste" that will be Collected by and Disposed of by Contractor in accordance with this section as well as Sections 3.6 and 5.2.5.)
3. Contractor shall record by class and weight (in tons) the Solid Waste Collected from Bulky Item pickups. Contractor shall record the kinds and weights (in tons) of this Solid Waste that is Diverted from Landfill Disposal through Recycling, reuse, Transformation, or other means of Diversion. Contractor shall include this information in its monthly reporting per Section 8.3.1. Residential Customers that exceed the number of free pickups and Commercial Customers may receive Bulky Item Collection under the same terms for a fee, in accordance with the approved rate schedule.

ADDENDUM #1

3.7 CITY SERVICES

3.7.1 CITY FACILITIES

Contractor shall collect all Solid Waste including but not limited to Recyclables, Organics, Bulky Items, Electronic Waste, and Construction and Demolition Solid Debris which is generated at City government Premises at no additional cost to the City. The City shall provide Contractor with a list of locations and number of containers, sizes, and frequency of collection from which such Solid Waste shall be collected. Such Premises include, but are not limited to, City Hall, City offices, parks, City yard and street maintenance operations. Solid Waste at City yard will include Solid Waste Collected from street litter Containers. The list of City locations and the number of containers, sizes, and frequency of collection may be modified from time to time by the Contract Administrator without additional compensation paid to the Contractor. Solid Waste generated by such City operations shall be collected by Contractor per a schedule provided to Contractor by the Contract Administrator.

3.7.2 CITY-SPONSORED EVENTS

Contractor shall provide Solid Waste Collection and Disposal/Processing service for City-sponsored events at no additional charge to City or Ratepayers. This shall include providing Refuse Containers (Carts, Bins, Roll-off Boxes, and cardboard waste boxes with liners) to Collect and Dispose of, or Process, all Solid Waste. Contractor shall provide Containers for the Collection of Recyclables and Organics. The list of City-sponsored events may change over time and include, but are not limited to:

- Concerts in the Park
- City Birthday Celebration
- Fourth of July
- Fall Fun Festival
- Winter Snow Festival
- Arbor Day
- Easter Egg Hunt

3.7.3 EMERGENCY COLLECTION AND DISPOSAL SERVICE

Contractor will assist City at the City’ s request with emergency Collection and Disposal service in the event of major disaster, such as an earthquake, storm, riot or civil disturbance, or as otherwise determined necessary by the City, by providing Collection equipment and drivers normally assigned to City. Contractor may charge City for actual Disposal costs plus service rates per the approved rate schedule.

ADDENDUM #1

3.7.4 ABANDONED ITEM COLLECTION FROM CITY RIGHT-OF-WAY PUBLIC PROPERTY

Contractor will Collect and Dispose of, at no additional charge to City or Ratepayers, within one Business Day of notification from City, all items left in the City' s right-of-way, such as sidewalks, alleys, streets, and parkways. Contractor will not be required to Collect Hazardous Waste (with the exclusion of Electronic Waste and universal wastes as provided in this Agreement), liquid wastes, or automobile parts that are individually too large for Collection by two people, but will be required to Collect any items defined as Bulky Items per Section 1.12. Contractor will properly Divert from Landfilling or Dispose of such items in accordance with Sections 5.2.3.

3.7.5 COMMUNITY DEVELOPMENT REVIEW SERVICES

Upon City request and at no additional charge, Contractor will review building permit applicants' plans and advise regarding adequacy of Container storage space and access, particularly to accommodate Recycling containers.

3.7.6 LARGE VENUE EVENT ASSISTANCE

Contractor will assist planners of large venue events at no additional charge with reporting and planning needs as may be useful in meeting the requirements of AB 2176, found at California Public Resources Code 42648, et seq. and Contractor shall provide Recycling services upon request to special event planners.

3.7.7 CONFISCATION OF UNAUTHORIZED CONTAINERS

1) City authorizes Contractor to confiscate illegal Collection Containers located within the City's public rights-of-way. Upon notification from City, or Contractor's locating of an illegally placed Container, Contractor shall begin the following procedure within 24 hours:
2) Contractor shall first place a notice on Container, directing the illegal hauler or its Customer to remove the Container within 24-hours of notice, citing relevant sections of the City of Diamond Bar Municipal Code, indicating where the Container may be retrieved, impound and storage costs, and warning that, should the Container not be removed by the hauler that Container may be removed without warning. If the company can be identified and its address ascertained, Contractor shall mail the warning as well.
3) Notify City of the notice and request authorization to impound the Container.
4) With written City approval, impound the Container if it has not yet been removed by the illegal hauler.
5) For subsequent violations by the same company after the initial notice has been posted, and after Contractor has mailed a warning to the company, Contractor may request written approval from City to remove company' s Containers immediately, mailing a notice if address is known as to where the Container may be retrieved and impound and storage costs. If

address is unknown, Contractor shall place the notice as close as feasible to where the Container was located.

Written approval from City under this section will include, but is not limited to, approval sent by e-mail or facsimile.

3.7.8 PROVISION OF STORAGE CONTAINERS

Contractor will provide the City with eleven 40-cubic-yard portable storage containers to be used for storage at City facilities and schools for the duration of the Agreement, and will maintain them in a condition satisfactory to the City. Contractor may transfer ownership of these storage containers to City, provided Contractor will remove and Dispose of these containers when requested to by City.

3.7.9 PROCUREMENT OF RECOVERED ORGANICS WASTE PRODUCTS

[TO BE MODIFIED BASED ON PROPOSAL]

Contractor shall procure sufficient compost, mulch, and/or renewable natural gas to meet the City's per capita requirement contained in SB 1383. Contractor may meet this obligation by one or a combination of the following activities:

- Bulk Compost and/or Mulch Reserved for Jurisdiction – Company shall make available for City Compost or Mulch for use in City parks and facilities at no cost to the City.
- Mulch Giveaway as described in Section 3.2.13.
- Use of renewable natural gas in Collection vehicles.

Contractor shall ensure sufficient capacity of California recovered organics waste products to meet the mandatory procurement requirements for jurisdictions contained in SB 1383, as may be amended, during the term of this Agreement including Agreement extensions granted by the City.

Contractor shall provide assurance through the execution of a liability waiver stating that all organic waste products provided by the Contractor and used within the City are free from pathogens and inorganic waste material that may be harmful to the health and welfare of the City. The Contractor shall indemnify and hold harmless the City against any claims arising from contaminated recovered organic waste products provided by the Contractor as set forth in Section 11.1.

ADDENDUM #1

ARTICLE 4: REQUIREMENTS FOR OPERATIONS, EQUIPMENT, AND PERSONNEL

4.1 OPERATIONS

4.1.1 SCHEDULES

To preserve peace and quiet, Contractor shall provide Collection services from Residential areas only between 6:30 A.M. and 6:30 P.M. Monday through Friday, with Saturday Collection permitted during weeks with a Designated Holiday. Commercial and industrial locations may be Collected between 6:00 A.M. and 6:30 P.M. Monday through Saturday.

Contractor may not make exceptions to these Collection days and times without advance written approval from the City. If the regularly scheduled Collection day falls on a Designated Holiday, Collection days for the remainder of that week shall all be postponed one Collection day.

Contractor shall review its operations plan outlining the Collection routes, intervals of Collection and Collection times for all materials Collected under this Agreement with City upon thirty (30) days written notice requesting said review. Contractor shall submit a copy of its schedule and route map within seven (7) Business Days if requested by City. If the plan is determined to be inadequate by City, Contractor shall revise it incorporating any changes reasonably necessary to make it satisfactory to City within thirty (30) days. Changes to schedules and routing shall not be implemented without City approval and not until at least fifteen (15) Business Days following notification to Customers. The City may restrict the timing and frequency of any route changes based upon the City of Diamond Bar City of Diamond Bar Municipal Code or any other applicable law or requirement.

4.1.2 MISSED PICKUPS

When notified of a missed pickup (which was not justified under the provisions of this Agreement) prior to 12: 00 p.m., Contractor shall Collect the Refuse, Recyclables, and/ or Organics that was not Collected the same day. If notified after 12: 00 p.m., Collection must take place no later than the next Business Day. If Contractor determined that the missed pickup was justified under this Agreement, Contractor will notify Customer as to the reason within this same time period.

4.1.3 HOLIDAY COLLECTION SCHEDULE

Contractor shall not be required to provide Collection services or maintain non-emergency office hours on the Designated Holidays. If the regularly scheduled Collection day falls on a Designated Holiday, Collection days for the remainder of that week shall all be postponed one Collection day and Residential Collection is permitted on Saturday during the make-up week. Only the City may change the holiday collection schedule.

ADDENDUM #1

4.1.4 CHANGE IN COLLECTION SCHEDULE

Contractor shall notify City forty-five (45) days prior to, and Customers not later than thirty (30) days prior to, any change in Collection operations which results in a change in the day on which Solid Waste Collection occurs. Contractor will not permit any Customer to go more than seven (7) days without service in connection with a Collection schedule change. City's approval of any change in Collection is required prior to such change, and such approval will not be withheld unreasonably.

Any changes in the route map or Collection schedule shall require the prior approval of the City. City may require reasonable changes to the route map or Collection schedule, to improve service, to resolve complaints or for other reasons. Prior to the change of a route schedule, Contractor shall provide written notice of the change to affected Customers ninety (90) days in advance.

Contractor shall coordinate with the Contract Administrator to ensure that Solid Waste Collection is compatible with the City's street sweeping operations. Contractor will be required to complete their designated routes each day so as not to interfere with the City's street sweeping operations.

4.1.5 DEDECATED ROUTES

Solid Waste Collected in the City shall not be commingled in Collection vehicles with Solid Waste from other jurisdictions. All routes approved under this Agreement shall be dedicated exclusively to Solid Waste Collected in the City of Diamond Bar, with the exception of Commercial Organics routes.

4.1.6 OVERFLOWING CONTAINERS

Customers that regularly produce more Refuse than their current level of service can accommodate may have their service level increased in accordance with the following procedure:

A. Residential Customers

First Incident in Six Month Period: If more material is placed for Collection than fits in a Cart (unless Collection of the overage has been properly arranged under Section 3.2.3), Contractor shall photograph the overflowing Cart, Collect the Solid Waste, and send to the Customer (at both the service and billing addresses) the picture and a letter instructing that further instances of an overflowing Cart may result in a charge, and possibly in an increase in the level of service.

Second Incident in Six Month Period: Upon the second event of an overfilled Cart (unless Collection of the overage has been properly arranged under Section 3.2.3) in a three-month period, Contractor shall photograph the overflowing Cart, Collect the Solid Waste, and send to the Customer the picture and a letter instructing that a third incident in that same three month period may result in an increase in the level of service. If Refuse was left beside the Cart for Collection other than. as permitted under Section 3.2.3, Contractor may charge the Cart Overage Fee in the approved Rate Schedule.

<u>Third Incident in Six Month Period:</u> Upon the third event of an overfilled Cart (unless Collection of the overage has been properly arranged under Section 3.2.3) in a three-month period, Contractor shall photograph the overflowing Cart, Collect the Solid Waste, and send to the Customer the picture and a letter requesting that Customer increase its service level. If the Customer declines, Contractor may petition City to permit Contractor to increase the service level to accommodate the higher demand for service. If Refuse was left beside the Cart for Collection other than as permitted under Section 3.2.3, Contractor may charge the Cart Overage Fee in the approved Rate Schedule.

Each incident shall be counted as one of the Customer's free pickups or, if Customer has used the annual free pickups, Contractor shall Bill Customer for the additional pickups per the approved rate schedule. Contractor shall send City via e-mail or U.S. mail a copy of each letter and picture sent to a Customer under this Section 4. 1. 6.

B. Commercial Customers

<u>First Incident in Six Month Period:</u> If more material is placed for Collection than fits in a Container, Contractor shall photograph the overflowing Container, Collect the Solid Waste, and send to the Customer (at both the service and billing addresses) the picture and a letter instructing that further instances of an overflowing Container may result in an increase in the level of service.

<u>Second Incident in Six Month Period:</u> Upon the second event of an overfilled Container in a three-month period, Contractor shall photograph the overflowing Container, Collect the Solid Waste, and send to the Customer the picture and a letter requesting that Customer increase its service level. if the Customer declines, Contractor may petition City to permit Contractor to increase the service level to accommodate the higher demand for service.

Contractor shall send City via e-mail or U.S. mail a copy of each letter and picture sent to a Customer under this Section 4.1.6.

4.1.7 GRAFFITI REMOVAL

Contractor shall remove graffiti from any Container within three (3) Business Days (excluding Saturday, Sunday, and Designated Holidays of request by City or Customer at no additional charge. Contractor is required to proactively look for graffiti when Collecting Containers, with all graffiti removed from Containers as stated above after any Collection without notification.

4.1.8 LITTER ABATEMENT

A. Minimization of Spills. Contractor shall use due care to prevent Solid Waste or fluids from leaking, being spilled and/or scattered during the Collection or Transportation process. If any Solid Waste or fluids leak or are spilled during Collection, Contractor shall promptly clean up all such materials. Each Collection vehicle shall carry a broom and shovel at all times for this purpose.

Contractor shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure, accidental damage to a vehicle, or a pre-approved method of Solid Waste transfer between vehicles, without prior written approval by City.

B. Clean Up. Contractor shall clean up litter in the immediate vicinity of any Solid Waste storage area if Contractor has caused the litter during the Collection process. Customer shall be responsible for cleanup of litter in Solid Waste storage area not caused by Contractor. Contractor shall identify instances of repeated spillage not caused by it directly with the Waste Generator responsible and will report such instances to City. Contractor may address habitual offenders in accordance with Section 4.1.6.

In the event of a spill of materials (vehicle fluids, Organic Waste leachate, etc.), Contractor shall provide a cleanup of the spill to the satisfaction of City and other governing agencies. Cleanup methods may include pressure washing (Contractor must capture and reclaim water) or other similar clean-up methods.

C. Covering of Loads. Contractor shall properly cover all open Roll-Off Boxes during Transport to the Disposal Site.

4.1.9 HEALTH AND SAFETY TRAINING

Contractor shall provide suitable operations, health and safety training on an ongoing basis for all of its drivers and other employees who use or operate equipment or who are otherwise directly involved in Collection or other related operations.

4.1.10 UNAUTHORIZED MATERIAL REMOVAL

Contractor shall dismiss or discipline employees who remove documents or any other material from Containers, other than specifically for the purposes of Disposal and Diversion as described in this Agreement.

4.1.11 REPORT OF ACCUMULATION OF SOLID WASTE; UNAUTHORIZED DUMPING

Contractor shall direct its drivers to note (1) the addresses of any Premises serviced under this Agreement at which they observe that Solid Waste is accumulating and which is not being place out for Collection; and (2) the address, or other location description, at which Solid Waste has been dumped in an apparently unauthorized manner. Contractor shall deliver the address or description to City within five (5) Work Days of such observation.

4.1.12 ROUTE AUDIT

Once during the first year or at City request but not more than once per year, Contractor shall conduct an audit of its Collection routes in the City. City may use information from the audit to develop a request for proposals for a new service provider. City may instruct Contractor when to conduct the audit in order for the results to be available for use in preparation of a request for proposals or for other City uses. City may also instruct Contractor to conduct an audit at a time that would produce the most accurate Customer service information for a new service provider to use in establishing service with Customers. In setting these audit dates, City will establish due dates for Contractor providing routing and account information, and later, the report, to City.

The route audit, at minimum, shall consist of an independent physical observation by Person(s) other than the route driver of each Customer in City. This Person(s) is to be approved in advance by City. The route audit information shall include, as a minimum, the following information for each account:

- Route Number;
- Truck Number;
- Number and size of Carts by waste stream (Refuse, Recycling, Organics)
- Cart condition;
- For Bin and Roll-Off Box Customers:
- Route Number;
- Truck Number;
- Account Name;
- Account Number;
- Account Service Address;
- Account Type (Residential, Commercial, Roll-Off Box Service);
- Service Level per Contractor Billing system (Quantity, Size, Frequency, Waste Stream);
- Observed Containers (Quantity, Size, Frequency, Waste Stream).
- Container condition;
- Proper signage; and,
- Graffiti.

Within thirty (30) days after the completion of the route audit, Contractor shall submit to City a report summarizing the results of the audit. This summary shall include:

- Identification of the routes;
- Route map;
- Truck numbers;
- Number of accounts, by route and in total (Residential, Commercial and Roll-Off Box Service);
- Confirmation that all Refuse routes are dedicated exclusively to City Customers;

- Number and type of exceptions observed;
- Total monthly service charge (Residential, Commercial and Roll-Off Box Service), pre-audit;
- Total monthly service charge (Residential, Commercial and Roll-Off Box Service), post-audit (subsequent to corrections of identified exceptions); and,
- The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations.

The report shall also include a description of the changes and Contractor's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by City or its representative.

4.1.13 SERVICE EXCEPTIONS; HAZARDOUS WASTE NOTIFICATIONS

A. Failure to Collect. When Solid Waste is not Collected from any Solid Waste Customer, Contractor shall notify its Customer in writing, at the time Collection is not made, through the use of a "tag" or otherwise, of the reasons why the Collection was not made.

B. Hazardous Material Inspection and Reporting. Contractor reserves the right to reject Solid Waste observed to be contaminated with Hazardous Material and the right not to Collect Hazardous Material put out with Solid Waste. Contractor shall notify all agencies with jurisdiction, if appropriate, including the California Department of Toxic Substances Control and Local Emergency Response Providers and the National Response Center of reportable quantities of Hazardous Material, found or observed in Solid Waste anywhere within the City. In addition to other required notifications, if Contractor observes any substances which it or its employees reasonably believe or suspect to contain Hazardous Materials unlawfully Disposed of or released on any City property, including storm drains, streets or other public rights of way, Contractor will immediately notify the City Manager or the City Manager's designee. Contractor shall implement and maintain a training program that will assist its employees in identifying and properly disposing of any Hazardous Material that may come into their possession.

C. Hazardous Material Diversion Records. Contractor shall maintain records showing the types and quantities, if any, of Hazardous Material found in Solid Waste and which was inadvertently Collected from Customers within the City, but Diverted from Landfill Disposal.

4.1.14 COLLECTION OF FORMER CONTRACTOR'S CONTAINERS

If any Solid Waste enterprise providing Solid Waste Services to Customers prior to the start of Collection services under this Agreement does not remove the Containers it had in use prior to the start of Collection services under this Agreement, Contractor shall Collect and Recycle/Dispose of all such Containers at no additional charge to City or Customers.

ADDENDUM #1

4.2 VEHICLE REQUIREMENTS

4.2.1 GENERAL

Contractor shall provide Collection vehicles sufficient in number and capacity to efficiently perform the work required by the Agreement in strict accordance with its terms as described in Contractor's Proposal. Any additional vehicles/routes that may be required to meet the service standards during the term of this Agreement, above the number included in Contractor's Proposal shall be done so at Contractor's sole expense. Contractor shall have available on Collection days sufficient reserve vehicles for each type of Collection vehicle, which can be dispatched within one (1) hour of any breakdown to complete the Collection routes and to respond to complaints and emergencies. Such reserve equipment shall correspond in size and capacity to the equipment used by the Contractor to perform the contractual duties. All equipment of Contractor used to provide the services set forth in this Agreement shall be subject to inspection by City upon request.

4.2.2 VEHCILE SPECIFICATIONS

A. All route Collection vehicles will be not older than 2-years and in like-new condition upon initiation of services under this Agreement. Contractor shall operate no vehicles within the City over 10-years in age during the initial ten-year term of this Agreement and no older than 15-years in age during any future extensions of this Agreement.

B. Such vehicles must be registered with the California Department of Motor Vehicles and shall have water-tight bodies designed to prevent leakage, spillage or overflow. Hoppers shall be enclosed on top and on all sides to prevent material from leaking, blowing or falling from the Vehicles. All such Vehicles shall have Each Collection vehicle shall be equipped with a shovel and broom for clean-up of spillage. Collection Vehicles shall never be loaded to exceed the manufacturer’s recommended weight limit or otherwise operated unsafely or in violation of any Applicable Law.

C. At all times during the term of this Agreement, Contractor’s Collection vehicles shall comply with Department of Transportation requirements, South Coast Air Quality Management District Requirements and the California Air Resource Board requirements as they are currently in force and as they may be approved for Refuse removal vehicles, as well as other Federal, State and local laws and regulations that may be enacted during the term of this Agreement.

D. All route Collection vehicles used by Contractor in providing Refuse, Recycling, and Organics Collection services, excluding spares, Roll-off Box Collection vehicles, scout vehicles, supervisor vehicles, Container delivery and other specialty vehicles used on a sporadic basis, shall use alternative fuel such as compressed or liquified natural gas, liquified petroleum gas, methanol, electricity, fuel cells, or other advanced technologies, approved by the South Coast Air Quality Management District (SCAQMD) for Solid Waste Services.

ADDENDUM #1

4.2.3 VEHICLE IDENTIFICATION

Contractor's name, local telephone number, and a unique vehicle identification number designed by Contractor for each vehicle shall be prominently displayed on all vehicles, in letters and numbers no less than six (6) inches high. City must approve truck labeling. No advertising shall be permitted other than the name of the Contractor except promotional advertisement of the Recyclable Materials and Organic Materials programs, other programs specific to the City, or information requested by City. All advertisement must be approved by the City. Contractor shall not place City's name and/or any City logos on Contractor vehicles.

4.2.4 CLEANING AND MAINTENANCE

1) Contractor shall maintain all of its properties, vehicles, facilities, and equipment used in providing service under this Agreement in a good, safe, neat, clean, and operable condition at all times.
2) Vehicles used in the Collection of Refuse, Recyclable Materials, and Organics shall be painted, thoroughly washed, and thoroughly steam cleaned on a regular basis so as to present a clean appearance. City may inspect vehicles at any time to determine compliance with this Agreement. Contractor shall also make vehicles available to the County of Los Angeles for inspection, at any frequency it requests. Contractor agrees to replace or repair to the City’s satisfaction, any vehicle which City determines to be of unsightly appearance, leaking, or in unsatisfactory operating condition.
3) Contractor shall repaint all vehicles used in the Collection of Refuse, Recyclable Materials and Organics at least every five years, and within thirty (30) days' notice from City if City determines that their appearance warrants painting.
4) Contractor shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles which are not operating properly shall be removed from service until repaired and operating properly. Contractor shall perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. Contractor shall keep accurate records of all vehicle maintenance, recorded according to date and mileage, and shall make such records available to City upon request.
5) Contractor shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown, or any other cause so as to maintain all equipment in a safe and operable condition. Contractor shall maintain accurate records of repair, which shall include the date and mileage, nature of repair and the verification by signature of a maintenance supervisor that the repair has been properly performed.
6) Contractor shall clean up any leaks or spills from its vehicles per the National Pollutant Discharge Elimination System (NPDES) permit in effect at the time. No fluids shall be washed into storm drains at any time. All NPDES dry-cleaning measures shall be complied with. All Collection Vehicles must be equipped with absorbent for such cleanup efforts.

ADDENDUM #1

7) Upon request, Contractor shall furnish City a written inventory of all equipment, including Collection vehicles, used in providing service. The inventory shall list all equipment by manufacturer, ID number, date of acquisition, type, and capacity.

8) All vehicles used to provide services under this Agreement shall at all times have in the cab the registration of the truck, evidence of insurance meeting the requirements of this Agreement and an identification card with the name of whom to telephone in case of an accident or emergency. Each truck shall be equipped with a minimum of a 20 -pound fire extinguisher that has been certified by the state fire marshal. This fire extinguisher shall be recharged as needed, but not less than once annually. Vehicles shall be equipped with a shovel and broom to clean up any spillage.

9) All trucks used to provide services under this Agreement in the City shall be required to be completely enclosed with a nonabsorbent cover while Transporting Refuse, Recyclables or Compostable Materials or other Solid Waste materials in or through the city. "Completely enclosed with a nonabsorbent cover" means that Refuse, trash, Recyclable or Compostable materials shall not be visible from the public highway, nor shall any of the substances be permitted to leak, spill or become deposited along any public highway.

4.2.5 VEHICLE OPERATIONS

Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Contractor shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by state or local weight restrictions on vehicles.

Contractor equipment used for Refuse, Recycling, and Organics services shall be registered with the California Department of Motor Vehicles. Equipment shall comply with US EPA noise emission regulations, currently codified at 40 CFR Part 205 and other applicable noise control regulations, and shall incorporate noise control features throughout the entire vehicle. Noise levels of equipment used for Collection shall comply with the City of Diamond Bar Municipal Code Chapter 8.16 and in no event shall the noise level exceed 75 dba when measured at a distance of 25 feet from the vehicle, five feet from the ground. Contractor shall store all equipment in safe and secure locations in accordance with City's applicable zoning regulations.

Contractor shall be responsible for any damage, normal wear and tear excepted, resulting from or directly attributable to any of its operations, and which it causes to: City's driving surfaces, whether or not paved, public or private; associated curbs, gutters, and traffic control devices; and all other public and private improvements.

4.2.6 CITY INSPECTION PER CODE

City may cause any vehicle used in performance of this Agreement to be inspected and tested at any commercially reasonable time and in such manner as may be appropriate to determine that the vehicle is being maintained in compliance with the provisions of the State Vehicle Code, including, but not limited to, California Vehicle Code Sections 27000(b), 23114, 23115, 42030, 42032, and all

Vehicle Code Sections regarding smog equipment requirements. City may direct the removal of any vehicle from service if that vehicle is found to be in nonconformance with applicable codes or any provision of this Agreement. No vehicle directed to be removed from service shall be returned to service until it conforms and its return to service has been approved by the City.

4.2.7 VEHICLE INSPECTIONS

Upon City request, Contractor shall submit the Safety Compliance Report/Terminal Record Update from its Biennial Inspection of Terminal, or BIT. If Contractor receives a terminal rating below satisfactory, the Contractor is in violation of the Agreement. The Contractor has the time allowed by the Department of California Highway Patrol ("CHP") to cure violations and bring the terminal rating up to satisfactory. If the CHP does not adjust the rating to satisfactory or better within six months, then the Contractor shall be considered in default of the contract and the City may terminate the Agreement as provided in Section 13.2.

4.2.8 CORRECTION OF DEFECTS

Following any inspection, the City Administrator shall have the right to cause Contractor, at its sole cost and expense, to recondition or replace any vehicle or equipment found to be unsafe, unsanitary or unsightly. The City Administrator's decision will be final.

4.2.9 CITY INFORMATIONAL DISPLAYS

Contractor shall equip all vehicles which Collect Solid Waste within the City with informational displays. The City shall advise Contractor as to the messages which should be displayed while vehicles are operating for the City. The City may, at its option, have the messages to be displayed changed once per year at no additional cost.

4.2.10 VEHICLE AND EQUIPMENT INVENTORY

On or before the effective date of this Agreement, the Contractor shall provide to the Contract Administrator an inventory of Collection Vehicles and major equipment used by the Contractor for Collection or Transportation in performance of services under this Agreement.

The inventory shall indicate each Collection vehicle by identification number, DMV license number, the age of the chassis and body, type of fuel used, the type and capacity of each vehicle, the date of acquisition, and the maintenance and rebuilt status.

The Contractor shall submit to the Contract Administrator an updated inventory including all of the information required above in each annual report, or more often at the request of the City. Each vehicle inventory shall be accompanied by a certification signed by the Contractor that all Collection Vehicles meet the requirements of this Article.

ADDENDUM #1

4.3 CONTAINER REQUIREMENTS

4.3.1 CART REQUIREMENTS

A. Cart Selection, Distribution and Exchanges. Contractor shall provide Customers with new Refuse, Recycling and Organics Carts at the start of service under this Agreement, at no extra charge.

In advance of initial new Cart distribution, Contractor shall mail a notice of rates, and provide Customers the opportunity to request service changes. If no response is received by Customer by specified date, Customer will retain the same level of service currently provided as reported by the previous waste hauler.

B. Cart Design Requirements. The Carts shall be manufactured by injection or rotational molding and meet the Cart design and performance requirements as specified below. All Carts selected shall be subject to City approval. The City will not permit Carts and Cart lids with inconsistent colors or in poor condition to be used in the City at any time during the term of this Agreement, and may require Contractor to replace such Carts. Contractor shall ensure that all Carts in service during the terms of this Agreement comply with CalRecycle requirements under SB 1383.

C. Cart Colors. The Refuse, Recycling and Organics Carts or Cart lids will be differentiated by color. The colors shall be colorfast and resistant to fading as a result of weathering or ultraviolet degradation. Cart and Cart lid colors shall be consistent throughout the City, and shall comply with CalRecycle requirements under SB 1383.

D. Capacity. References to Cart sizes of 35, 64, or 96 gallons are approximate. Acknowledging the different sizes provided by the various Cart manufacturers, the Carts shall be uniform in appearance and must conform to the following ranges in size:

- 30 to 40 gallons,
- 60 to 70 gallons, and
- 90 to 101 gallons.

E. Cart Handles. The Cart handles and handle mounts may be an integrally molded part of the Cart body or molded as part of the lid. The Cart handles will provide comfortable gripping area for pulling or pushing the Cart or lifting the lid. Pinch points are unacceptable.

F. Cart Lid Performance. Each Container shall be provided with a lid that continuously overlaps and comes in contact with the Container body or otherwise causes an interface with the Container body that simultaneously:

- Prevents the intrusion of rainwater, rodents, birds, and flies;
- Prevents the emission of odors;

- Enables the free and complete flow of material from the Container during the dump cycle without interference with the material already deposited in the truck body or the truck body itself and its lifting mechanism;
- Permits users of the Container to conveniently and easily open and shut the lid throughout the serviceable life of the Container;
- Prevent damage to the Cart body, the lid itself or any component parts through repeated opening and closing of the lid by residents or in the dumping process as intended;
- Remain closed in winds up to 25 miles per hour from any direction. All lid hinges must remain fully functional and continually hold the lid in the original designed and intended positions when either opened or closed or any position between the two extremes; and,
- Lid shall be designed and constructed such that it prevents physical injury to the user while opening and closing the Container.
- The lid handle shall be an integrally molded part of the lid;
- The lid (and body) must be of such design and weight that would prevent an empty Container from tilting backward when flipping the lid open; and,
- The lid shall be hinged to the Cart body in such a manner so as to enable the lid to be fully opened, free of tension, to a position whereby it may rest against the backside of the Container body.

G. Cart Labeling and Hot Stamping. Labels used on Carts shall be placed on the inside of the Cart lid, and hot stamps shall be on the top of the lid and/or on the body of the Cart. Each Cart shall be hot stamped with the material type (e.g., Refuse, Recycling, Organics) in English, Mandarin, and Korean. Labels shall include graphic instruction on what materials should and should not be placed in each Cart. Design for both the labels and the hot stamps must be approved by City prior to ordering labels or Carts. City shall approve what information is included on the label and in the hot stamp, as well as approve design and quality. Labels shall be replaced when worn, and when information on the label is in need of updating, but no later than 90 days of request from City. Information on the Carts shall include the telephone number to call for Contractor for Bulky Item pickups and for general Customer service. All Carts shall be labeled in accordance with CalRecycle requirements under SB 1383 throughout the term of this Agreement.

H. Cart Performance Requirements. All Carts shall be designed and manufactured to meet the minimum performance requirements described below. I. Cart Load Capacity. Depending on the capacity, the Carts shall have a minimum load capacity as noted below without Container distortion, damage, or reduction in maneuverability or any other functions as required herein.

ADDENDUM #1

Cart Capacity Gallons)	Minimum Load Capacity (lbs)
90-101	200
60-70	130
30-40	70

I. Cart Durability. Carts shall remain durable, and at a minimum, shall meet the following durability requirements to satisfy its intended use and performance, for the term of this Agreement:

- Maintain its original shape and appearance;
- Be resistant to kicks and blows;
- Require no routine maintenance and essentially be maintenance free;
- Not warp, crack, rust, discolor, or otherwise deteriorate over time in a manner that will interfere with its intended use;
- Resist degradation from ultraviolet radiation;
- Be incapable of penetration by biting or clawing of household pets (i.e., dogs and cats);
- The bottoms of Cart bodies must remain impervious to any damage, that would interfere with the Cart's intended use after repeated contact with gravel, concrete, asphalt or any other rough and abrasive surface;
- All wheel and axle assemblies are to provide continuous maneuverability and mobility as originally designed and intended; and,
- Resist degradation by other airborne gases or particulate matter currently present in the ambient air of the City.

J. Chemical Resistant. Carts shall resist damage from common household or Residential products and chemicals. Carts, also, shall resist damage from human and animal urine and feces.

K. Stability and Maneuverability. The Carts shall be stable and self-balancing in the upright position, when either empty or loaded to its maximum design capacity with an evenly distributed load, and with the lid in either a closed or open position. The Carts shall be capable of maintaining an upright position in sustained or gusting winds of up to 25 miles per hour as applied from any direction. The Carts shall be capable of being easily moved and maneuvered, with an evenly distributed load equal in weight to its maximum design capacity on a level, sloped or stepped surface.

ADDENDUM #1

L. Cart Repairability Or Replacement. Contractor shall be responsible for Cart repair and maintenance, and replacing lost, stolen or damaged Carts within three (3) business days of notification (excluding Saturday, Sunday and Designated Holidays, at no additional charge to the Customer or to City, unless Contractor can demonstrate to the Contract Administrator that the damage or loss was due exclusively to the Customer's intentional or wanton destruction. Contract Administrator shall make the final determination. All repairs must restore the Cart to its full functionality. If City permits a Cart replacement charge to be assessed against Customer, Contractor may charge the Customer the Cart Replacement Fee in the approved rate schedule. Unsightly/worn-out/broken Carts shall be replaced by Contractor upon Customer request at no additional cost to Customer.

Customers are responsible for the cleanliness and sanitation of Carts. Contractor shall steam clean Carts upon request of Customers at the rates shown in the approved rate schedule. All Carts in service for the duration of this Agreement shall comply with color and labeling requirements specified by CalRecycle under SB 1383.

4.3.2 BIN REQUIREMENTS

A. Cleaning and Maintenance. Contractor shall provide Customers with Bins required during the term of this Agreement and maintain Containers in safe working condition. The size of Contractor-provided Bins shall be determined by mutual agreement of Customer and Contractor. All Bins in use shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained in good repair.

Upon Customer or City request, or if required to maintain the Containers in a clean condition, Contractor shall clean Customer Bins once per year at no additional charge.

Contractor shall perform cleaning, repainting, or replacement of Bins as necessary to prevent a nuisance caused by odors or vector harborage, or if requested by Customer or City for an additional charge at the rates listed in the approved rate schedule. When a Bin is removed for cleaning, Contractor shall replace the Bin, either temporarily or as a change-out, with another Container.

B. Bin Identification and Color. Each Bin placed in City by Contractor shall have the name of Contractor and phone number in letters not less than three (3) inches high on the exterior of the Bin so as to be visible when the Bin is placed for use. Bin type (Refuse, Recycling, Cardboard, Organic Waste) may be identified with an affixed sign.

Bins shall be labeled to include English, Korean, and Mandarin and graphic instruction on what materials should and should not be placed in each Bin. Contractor shall have labels approved by City prior to ordering and placement on Bins. Labels shall be replaced when worn, and when information on the label is in need of updating, but no later than 90 days of request from City.

Contractor shall repaint Bins at the City's request if the City deems it necessary to maintain a neat appearance. All Bins in service for the duration of this Agreement shall comply with color and labeling requirements specified by CalRecycle under SB 1383.

4.3.3 ROLL-OFF BOX REQUIREMENTS

Contractor shall provide sufficient Roll-Off Boxes to meet Customer demand throughout the Term of the Agreement, and will keep all Roll-Off Boxes clean, free from graffiti, equipped with reflectors, and with the name and phone number of Contractor in letters not less than three (3) inches high on the exterior of the Roll-Off Box so as to be visible when the Roll-Off Box is placed for use. Contractor shall properly cover all open Roll-Off Boxes during Transport as required by the State Vehicle Code. All Roll-Off Boxes in service for the duration of this Agreement shall comply with color and labeling requirements specified by CalRecycle under SB 1383.

4.4 PERSONNEL

4.4.1 QUALIFIED PERSONNEL

Contractor shall furnish such qualified drivers, mechanical, supervisory, clerical, management and other personnel as may be necessary to provide the services required by this Agreement in a satisfactory, safe, economical and efficient manner. All drivers shall be trained and qualified in the operation of vehicles they operate and must possess a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

4.4.2 IDENTIFICATION REQUIRED

Contractor shall provide its employees, companies, and subcontractors with identification for all individuals who may make personal contact with residents or businesses in City. City may require Contractor to notify Customers yearly of the form of said identification. Contractor shall provide a list of current employees, companies, and subcontractors to City upon request.

City reserves the right to perform a security and identification check through the City's Police Department on the Contractor and all their present and future employees employed by Contractor to work in the City, in accordance with accepted procedures established by City, or for probable cause.

4.4.3 HAZARDOUS MATERIAL EMPLOYEE TRAINING

Contractor shall establish and implement an educational program which will train Contractor's employees in the identification of Hazardous Material. Contractor's employees shall not knowingly place such Hazardous Material in the Collection vehicles, nor knowingly Dispose of such Hazardous Materials at the Processing Facility or Disposal Site.

ADDENDUM #1

4.4.4 FEES AND GRATUITIES

Contractor shall not, nor shall it permit any agent, employee, or subcontractors employed by it to request, solicit or demand, either directly or indirectly, any compensation or gratuity for services authorized to be performed under this Agreement except as described in this Agreement, in accordance with the approved rate schedule.

4.4.5 NON-DISCRIMINATION

Contractor shall not discriminate in the provision of service or the employment of Persons engaged in performance of this Agreement on account of race, color, religion, sex, age, physical handicap, or medical condition in violation of any applicable federal or state law.

4.4.6 HIRING OF DISPLACED EMPLOYEES

In accordance with Labor Code Sections 1070, 1072, 1075, and 1076, Contractor shall offer employment to qualified existing employees of the current contractor that may be displaced if the current contractor is not retained. Immediately following award of this Agreement, Contractor shall work with the current contractor to obtain a complete list of full-time non-management employees in good standing working exclusively to provide direct Collection services to City and Collection support services. Contractor shall conduct outreach, complete interviews, and offer employment to eligible employees. Contractor will not be required to hire for more positions than the maximum anticipated positions needed to provide the services required by this Agreement or hire employees for positions if those employees have not been successfully executing duties similar to those needed by Contractor to provide the services required by this Agreement.

4.4.7 CITY LIAISON

Contractor shall designate a person to serve as agent and liaison between the Contractor and the City and shall maintain a telephone and a means for contact at all times including during periods of strike or other emergencies. The Contractor's City Liaison shall meet with the City as necessary to effectuate the purposes of the Agreement. Contractor shall immediately inform City of any changes in the designated City Liaison. Contractor shall not change this designation without prior approval of the City, excluding cases of termination of the employee.

4.4.8 SERVICE LIAISON

Contractor shall designate a field supervisor as the City’s “Service Liaison” who shall be responsible for working with Contract Administrator to resolve Customer service-related complaints. The Service Liaison shall be accessible via cell phone or radio in the field at all times. Contractor shall immediately inform City of any changes in the designated Service Liaison. Contractor shall not change this designation without prior approval of the City, excluding cases of termination of the employee.

ADDENDUM #1

4.4.9 ENVIRONMENTAL COORDINATOR

To achieve a high level of Recycling education and awareness, Contractor will hire at least one full-time, fully trained and experienced, environmental coordinator.

The environmental coordinator shall develop and conduct all education and outreach activities required under the Agreement including, providing technical assistance to Residential (including Multi-Family Premises), and Commercial Customers; promoting waste reduction, Recycling, and Diversion programs; submitting monthly reports to the City regarding waste audits, outreach activities, and any other information requested by the City. The environmental coordinator shall fully cooperate with the City in implementing the City's Customer Education Plan.

4.4.10 CITY'S RIGHT TO APPROVE CITY AND SERVICE LIAISON

City may request that Contractor change the City and Service Liaisons and shall have the right to approve the designated liaisons. Contractor shall immediately inform City of any changes in the designated liaisons.

ARTICLE 5: PROCESSING AND DISPOSAL REQUIREMENTS

5.1 TRANSPORTATION OF DISCARDED MATERIALS

The Contractor shall Transport all Solid Waste Collected under Article 3 to the Designated Facilities listed in Exhibit 3. The Contractor shall maintain accurate records of the quantities of Solid Waste Transported to Solid Waste facilities and will cooperate with the City in any audits or investigations of such quantities.

5.2 DIVERSION AND PROCESSING REQUIREMENTS

Contractor shall Divert from Landfill Disposal a minimum of ___% of all Solid Waste it Collects under this Agreement excluding Construction and Demolition Debris. Compliance will be measured on a calendar year basis, except that compliance will be measured during the first compliance period for the fifteen (15) months ending December 31, 2026, and compliance during the final year will be based on a partial year if the term ends before December 31 in the final year. Solid Waste Collected shall only be considered to have been Recycled or Diverted as required under this Agreement if it is deemed to be Diversion by CalRecycle in connection with efforts to meet City's Diversion goals. Contractor shall provide documentation to the City within 45 days of the end of each calendar year stating and supporting that calendar year's Diversion rate. Diversion from sources other than Contractor's Collection and Diversion efforts (such as source reduction, reuse, or Recyclable Materials Diverted by other Solid Waste enterprises, Collection of materials that are not the subject of this Agreement, or the efforts of self-haulers) is not to be counted as Diversion achieved by

Contractor. Failure to achieve the minimum Diversion requirement may result in liquidated damages as described in Section 11.1 of this Agreement. In the event that the minimum Diversion requirement is not met, and, no sooner than three (3) years after the start of services under this Agreement, and not more often than once every two (2) years thereafter, the Parties agree to meet and confer regarding adjustments to the minimum Diversion rate, based on factors including waste characterization data provided by Contractor, trends in source reduction and reuse, trends in third party Diversion, the availability of permitted Facilities that are capable of Processing material to achieve the required levels of Diversion, emerging methods of Processing and Recycling/reusing new waste materials, the availability of markets, and the impact of scavenging. City shall consider such information provided by Contractor and other industry data and shall, at its sole discretion, determine if any adjustments to the minimum Diversion requirements shall be made, and such changes must be approved by the City Council before becoming effective. If these Diversion requirements are not met, City may instruct Contractor to initiate new programs at Contractor's expense in order for this goal to be met on a consistent basis.

5.2.1 PROCESSING OF RECYCLABLES AND ORGANICS

Contractor shall deliver all Collected Recyclables and Organics to a fully permitted Processing Facilities capable of separating and recovering materials to maximize Diversion credit for City in accordance with CalRecycle regulations.

All expenses related to Recyclable and Organics Material Processing and marketing will be the sole responsibility of the Contractor. Contractor shall ensure that all Recyclables and Organics Collected are Diverted and not Disposed of in a Landfill except as a Residue resulting from Processing or loads rejected by the Processing Facility operator or loads not delivered to the Processing facility by Contractor due to the presence of excessive contamination rendering the Recyclable loads unfit for Processing.

Recyclables or Organics loads rejected by the Processing Facility operator or not delivered to the Processing Facility due to excessive contamination shall be reported to City together with information regarding the source or route from which it originated. Failure to do so places the Contractor in default. The City has the option, but not obligation, to direct the Contractor where to deliver the material.

5.2.2 END USES FOR ORGANICS

Contractor is responsible for monitoring how the Organic Material will be Diverted at selected facilities and for selecting alternative facilities if necessary to ensure full Diversion credit. Failure to do so places the Contractor in default. City has the option, but not obligation, to direct Contractor where to deliver the material, and if City directs Contractor to an alternative Facility then Contractor may request a rate adjustment in accordance with Section 2.10.

5.2.3 BULKY ITEM DIVERSION

Bulky Items Collected by Contractor in accordance with Section 3.6, or otherwise Collected under this

Agreement, may not be Landfilled or Disposed of until the following hierarchy of Diversion efforts has been followed by Contractor:

1) Reuse as is,
2) Disassemble for reuse or Recycling,
3) Recycle or market and sell Recyclable Materials for Recycling,
4) Disposal.

This hierarchy is intended to preclude the use of front or rear loading packer vehicles for Bulky Items unless the compaction mechanism is not used to compact the Bulky Items, unless they have been designated for Disposal.

5.2.4 CONSTRUCTION AND DEMOLITION DEBRIS DIVERSION

Contractor will bring all loads of mixed Construction and Demolition Debris to a C&D Designated Processing Facility as listed in Exhibit 3 for separation and recovery of this material. Contractor may deliver separated loads of Construction and Demolition Debris, such as clean dirt, concrete or rebar, to facilities specializing in the reuse of such materials, provided this material is Diverted from Landfill Disposal. Contractor shall Divert from Landfill Disposal a minimum of 75% or the State-mandated Construction and Demolition Diversion percentage, whichever is greater, of all Construction and Demolition Debris Collected.

5.2.5 DIVERSION OF ELECTRONIC, UNIVERSAL AND OTHER SPECIAL WASTE

Contractor shall Divert waste requiring special handling, such as Electronic Waste, or “E-Waste” Collected in accordance with Sections 3.6, or by other means under this Agreement, by taking these goods to a properly permitted Facility, and not by Landfill Disposal.

5.3 MARKETING AND SALE OF RECYCLABLES

Contractor shall be responsible for marketing and sale of all Recyclables Collected pursuant to this Agreement. Contractor may retain revenue from the sale of Recyclable Materials, and shall report the amount of such revenues to City upon request. In the event that Contractor is unable, after reasonable diligence, to sell or donate certain Recyclable Materials due to the lack of an available market, Contractor may request, and City may authorize Contractor, in its sole discretion, to Dispose of said Recyclables without sale, subject to on-going review by the City. In the event market conditions for said Recyclables change such that they can, once again, be sold by Contractor, City may withdraw its consent for Contractor to Dispose of said Recyclables and may, again, require Contractor to sell said Recyclables as otherwise provided in this Agreement.

5.4 USE OF DESIGNATED FACILITIES

The Contractor, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Designated Facilities as listed in Exhibit 3 for the purposes of

Processing and/or Disposing of all Source Separated Recyclable Materials, Source Separated Organics Materials, Refuse, Bulky Items, and other materials Collected in the City over the Term of this Agreement. Contractor agrees that such decision by the Contractor in no way constitutes a restraint of trade.

The Contractor shall not knowingly deliver materials Collected under this Agreement to facilities that do not comply in all material aspects with Applicable Law. The Contractor, and not the City, must use reasonable efforts to assure that all Disposal, Transfer, and Processing facilities to which the Contractor delivers material under this Agreement are properly permitted to receive material Collected under this Agreement, except for any other facility that the City directs the Contractor to use. Failure to comply with this provision may result in the Contractor being in default under this Agreement.

Contractor shall actively work with the Designated Facility(ies) operator(s) throughout the Term of this Agreement to ensure that Contamination remains below the limits established by Applicable Law, including, without limitation, SB 1383.

Through written notice to the City annually on or before July 1, Contractor shall identify the facilities to which Contractor will Transport Solid Waste including Source Separated Organic Waste, Source Separated Recyclable Materials, Refuse, Bulky Items, and other materials Collected in the City over the Term of this Agreement.

5.5 USE OF CONTRACTOR-OWNED APPROVED FACILITEIS

If the Contractor or Affiliate owns and/or operates a Designated Facility, all expenses associated with permitting, licensing, regulatory compliance, closure and post-closure, etc. and all other costs associated with the operation and ownership of the Designated Facility is the sole responsibility of the Contractor. All expenses related to Processing and / or marketing of Organics and Recyclables will be the sole responsibility of the Contractor. Any request to adjust the Contractor’s rates shall be done in accordance with Article 10.

5.6 SOLID WASTE CAPACITY GUARANTEE

Solid Waste facility Capacity Guarantee Contractor shall provide City with guaranteed capacity for the following Solid Waste facilities for the Term of this Agreement:

[INCLUDE LIST FROM COMPANY'S PROPOSAL]

ADDENDUM #1

ARTICLE 6: OTHER SERVICES

6.1 BILLING AND CONTRACTOR COMPENSATION

The Contractor shall be solely responsible for the billing and collection of payments for all Collection services. The Contract Administrator shall have the right to review and approve the format of all Customer bills. The Contractor shall be entitled to set rates for all services provided pursuant to this Agreement, provided that such rates do not exceed the maximum approved rates in accordance with the approved rate schedule.

Contractor Compensation is exclusively derived from revenue received as a result of the Billings for services listed on the approved rate schedule, and Contractor shall charge no additional fees unless approved in advance by the City.

6.1.1 RESIDENTIAL CART CUSTOMERS

Contractor shall Bill Residential Cart Customers quarterly in accordance with the approved rate schedule with invoice dated no sooner than the first day of the quarter Billed for, and payment shall be due no sooner than 30 days after invoice date. The quarters shall begin on February 1, May 1, August 1, and November 1. Extra Bulky Item pickups or extra overage pickups may be added to quarterly Billing or may be Billed at time of service.

6.1.2 COMMERCIAL CART AND BIN SERVICE

Contractor shall be responsible for billing for Commercial Cart and Commercial Bin services and other special charges as permitted in the approved rate schedule on a monthly basis. Bills must be itemized by service type, Container size, frequency of service, discounts, and period billed for. All bills must carry a due date, not "due upon receipt." Bills will not carry an itemization of fees remitted to the City.

6.1.3 DISABLED CUSTOMER DISCOUNT

Customers determined to be disabled, either by the issuance of a handicap placard from the Department of Motor Vehicles or by meeting City-established guidelines, will receive a X% discount off the standard monthly rate for one Refuse, Recycling and Organics Cart service. The disabled party must be the Customer named on the Billing. The discount shall be itemized or otherwise noted on Customer invoices. Contractor shall administer the review and processing of Customer discount applications. Contractor shall provide to the City an annual report containing the name and service address of all Customers receiving the Disabled Customer Discount.

6.1.4 SENIOR DISCOUNT

Customers entitled to the senior rates included in the approved rate schedule are Customers that are listed in the Bill, reside at the Premises where service is received and are 60 years of age or older.

The discount shall be itemized or otherwise noted on invoices. Contractor shall administer the review and processing of Customer discount applications. Contractor shall provide the City with an annual report (or more frequently if requested by City) containing the name and service address of all Customers receiving the Senior Customer Discount.

6.1.5 FORM OF PAYMENT

Contractor will accept major credit cards for payment from Customers who request temporary Roll-Off Box or temporary Bin service that do not have an account with Contractor. Customers without such an account who do not use credit cards may be required by the Contractor to post a security deposit or to pay on a "Cash on Delivery C.O.D." basis. Any unused portion of a security deposit will be refunded to the Customer within fifteen business days of the termination of service.

6.1.6 TEMPORARY BIN AND ROLL-OFF BOX SERVICE

1) Customers' temporary Bin and Roll-Off Box services may be Billed at the time of, or in advance of, service, or on a monthly or bi-monthly Billing cycle.
2) Contractor may request advance payment for temporary services.
3) Contractor may require outstanding temporary services balances be paid prior to providing subsequent temporary services.
4) Weekly Cart Collection services shall not be suspended due to outstanding balances for Bin or Roll-Off Box Services.

6.1.7 AUTOMATED BILLING PAYMENT

Contractor shall make available to all Customers through Contractor’s website and customer service portal, an automated billing and payment system at no additional charge. This system should allow Customers to view and pay bills, obtain and electronic copy of their bill, request to cease paper billing and receive e-bills via email or through Contractor’s website. The Contractor will ensure that the electronic billing and payment website conforms to industry-standard practices for electronic commerce security. The Contractor must ensure that Customers receiving e-bills are also receiving billing inserts either via electronic mail or via US Postal Service. The Contractor shall promote the website-based billing and payment system on all paper bills sent to Customers.

6.1.8 BILL PAYMENT BY PHONE

The Contractor shall make available to all Customers the ability to make bill payment by phone at no additional charge.

6.1.9 REVIEW OF BILLINGS

Contractor shall review its Billings to Customers to determine that the amount which Contractor is billing each Customer is correct in terms of the level of service being provided to such Customer by

Contractor. Contractor shall review Customer accounts annually and submit to City a written report of that review annually on the anniversary of the Effective Day of this Agreement.

6.1.10 SUSPENSION OF SERVICE DUE TO NON-PAYMENT

A. Residential Customers: The following procedures apply to Customer accounts that are Billed quarterly for weekly Cart service:

1) For balances outstanding for 60 days after due date, Contractor shall send a reminder notice to Customer that payment is overdue. Notice should include a warning that balances outstanding after 75 days shall be assessed a late fee, and that, if balance remains outstanding after 90 days, service shall be suspended.
2) For balances outstanding for 75 days after due date, Contractor shall send a notice that that service may be discontinued if overdue balance is not received within 15 days. Contractor shall provide list of these Customers to the City the time these notices have been sent. Contractor may charge a late fee equal to 10% of balance outstanding for at least 75 days after due date.
3) For balances outstanding for 90 days, Contractor may provide Customer with notice that service has been suspended until outstanding balance is paid in full, including late payment fee, provided Contractor has completed steps 1 and 2 above and has provided City with a list of Customers being so notified.

B. Commercial Customers: In the event of non-payment by a Commercial Customer Billed by Contractor, Contractor must follow these steps before suspending service:

First Notice: If payment is not received by 15 days after due date, Contractor shall notify Customer in writing of the non-receipt of payment and that non-payment can result in suspension of service.

Second Notice: If payment is not received within 15 days of the mailing of the first notice of non-receipt of payment, Contractor shall mail a second notice of non -receipt of payment, wanting that 1) service will be suspended in 15 days if payment is not received and that City will undertake code enforcement against the delinquent Customer, and 2) Contractor may assess a penalty of up to 10% on balances outstanding for sixty (60) days after the invoice date.

Contractor shall not suspend service without prior approval from City.

6.1.11 DEBT COLLECTION

Contractor shall be responsible for bad debt. Contractor may pursue independent collections against Customers. City will not pursue collections on behalf of Contractor.

6.1.12 CONTINUED PROVISION OF SERVICE

In the event of a Billing dispute or to avoid an immediate threat to public health or safety, Contractor shall continue to provide service to Customers if requested in writing by City, without regard to the status of said Customer account and at no expense to City. Billing disputes between Contractor and Customer may be resolved by City, and City' s decision shall be final and binding.

6.1.13 NO MARKETING

The Contractor will not market or distribute mailing lists with the name or address of Customers. The Contractor's obligations under this subsection are in addition to any other privacy rights accorded Customers under Applicable Law.

6.2 CUSTOMER SERVICE

All service inquiries and complaints shall be directed to the Contractor. A representative of the Contractor shall be available to receive the complaints during normal business hours. All service complaints will be handled by the Contractor in a prompt, courteous, and efficient manner.

6.2.1 LOCAL OFFICE

Contractor shall maintain a local office. Office Hours shall be, at a minimum, from 7:00 A.M. to 5:00 P.M., Monday through Friday, exclusive of Designated Holidays. A responsible and qualified representative of Contractor shall be available during Office Hours for personal communication with the public at the local office, and to receive payments from Customers. Contractor shall have either a representative, a message machine, or an answering service available outside of Office Hours. Calls received outside of Office Hours shall be responded to on the next business day. Contractor shall provide City with a twenty-four (24) hour emergency number to a live person, not voicemail.

6.2.2 CUSTOMER SERVICE PORTAL

Contractor shall maintain a company website and customer portal for all customer service matters. The following customer transactions shall be supported both by automation (computer interaction) and by a live customer service representative, depending on customer preference: (1) creation of a new account; (2) closing an existing account; (3) requesting modification to service levels; (4) submitting billing information and inquiries; and (5) identifying the next service date (when the collection date is impacted by a Designated Holiday or other schedule change).

Customer service shall be ADA compliant. The Contractor's website, mobile applications and customer service telephone line shall be ADA compliant.

6.2.3 CUSTOMER COMPLAINTS, INQUIRIES AND SERVICE REQUESTS

Contractor shall maintain a Customer Relationship Manager (CRM) system to record and maintain records of all customer complaints, inquiries, and service requests received including by telephone, voicemail, e-mail, text, written, in person or any other communication media. The record for each incident shall include the date and time of the incident, name, address and telephone number of caller, description of the compliant, inquiry or request, employee recording incident, and the action taken by Contractor to respond and remedy the incident. Contractor shall also record each instance of non-collection and the form of notification used to inform the participants of the reasons for non-Collection and the end result or means of resolution of the incident.

All written Customer correspondence shall be recorded into the CRM system when received and shall be initially responded to within one (1) business day (excluding Saturday, Sunday, and Designated Holidays) of receipt. Contractor shall use best efforts to resolve complaints within two (2) business days.

Service complaints received by City will be directed to Contractor. All forwarded complaints shall be recorded into the CRM system.

All Customer service records and logs kept by Contractor shall be available to City upon request. City shall, at any time during regular Office Hours, have access to Contractor's Customer service department for purposes that may include monitoring the quality of Customer service or researching Customer complaints.

6.2.4 CUSTOMER SERVICE STANDARDS

Customer care is among the most important aspects of the services to be required of the Contractor. Contractor shall perform customer service at a level that can be measured by the following two standards:

A. Residential. The number of complaints in any one month shall not exceed 1% of the number of residential customers served. For example, if 15,745 residential accounts are served, any compliant above 154 in any given month will be considered a separate violation of this Agreement.

B. Commercial. The number of complaints in any one month shall not exceed 2.5% of the number of commercial customers served. For example, if 300 commercial accounts are served, any compliant above 8 in any given month will be considered a separate violation of this Agreement.

C. Call Center Capacity. Contractor must maintain sufficient telephone capacity during normal office hours to ensure that all calls will be answered in less than an average of thirty (30) seconds. Calls will be answered in less than an average of thirty (30) seconds, and thereafter will not be placed on hold longer than an average of one (1) minute before talking to a customer service representative of the Contractor. This standard must be measured quarterly, and the Contractor shall not exceed this standard or it will be considered a separate violation of this Agreement. Contractor shall ensure that all incoming calls are answered courteously and promptly during the office hours stated above.

D. Service Standard Tracking. Contractor shall track complaints and call ringing and hold requirements and include results in its quarterly report to the City. In any 12-month period, accumulation by the Contractor of four or more separate customer service violations shall be deemed a material breach of this Agreement and shall subject Contractor to all remedies which are available to the City under this Agreement or otherwise. A violation is one month in which the number of complaints exceeds the maximum permitted under Section 5.3.3(A) or 5.3.3(B) or one calendar quarter in which fewer than 90% of calls placed by the City and its Customers to Contractor are answered by a live customer service representative before the fourth ring under Section 5.3.3(C).

E. Customer Courtesy. Contractor shall train its employees in Customer courtesy, shall prohibit the use of loud or profane language, and shall instruct Collection crews to perform the work quietly. Contractor shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. If any employee is found to be discourteous or not to be performing services in the manner required by this Agreement, Contractor shall take all necessary corrective measures including, but not limited to, transfer, discipline or termination. If City has notified Contractor of a complaint related to discourteous or improper behavior, Contractor will consider reassigning the employee to duties not entailing contact with the public while Contractor is pursuing its investigation and corrective action process.

6.2.5 RESOLUTION OF CUSTOMER COMPLAINTS

Disputes between Contractor and its Customers regarding the services provided in accordance with this Agreement may be resolved by the City. The City's decision shall be final and binding.

Intervention by the City is not a condition precedent to any rights or remedies third parties might otherwise have in any dispute with Contractor. Nothing in this section is intended to affect the remedies of third parties against Contractor. To the extent that remedies are warranted through this Agreement, this section shall apply.

6.2.6 EMERGENCY CONTACTS

Contractor shall provide the Contract Administrator with a twenty-four (24) hour emergency phone number to a live person, not a voicemail, where the Contractor can be reached.

6.2.7 MULTI-LINGUAL, TDD SERVICES

Contractor shall at all times maintain the capability of responding to telephone calls in English, Mandarin, and Korean, and such other languages as City may direct. Contractor shall at all times maintain the capability of responding to telephone calls through Telecommunications Device for the Deaf (TDD) Services. These capabilities shall be maintained for both the local telephone number and the emergency telephone number.

6.3 CUSTOMER OUTREACH AND EDUCATION

The Contractor shall be responsible for Customer outreach and education. Contractor shall develop and implement outreach and education material that describes and promotes the Contractor's Solid

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Waste Services that are available to Customers and that addresses the requirements of AB 939, AB 341, AB 1826, and SB 1383 Diversion mandates.

Contractor agrees to take direction from City to expand Customer knowledge concerning needs and methods to reduce, reuse and Recycle Solid Waste and to cooperate fully with City in this regard.

All materials produced by Contractor relating to services provided under this Agreement, including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release, shall be approved by City Manager or designee prior to being printed for distribution. A draft of all text and illustrations shall be provided to City Manager or designee at least two (2) weeks in advance of production of the final document. Comments provided by the City Manager or designee shall be reasonably incorporated, and the final version of the text and illustrations shall be acceptable to both City and Contractor. Printed materials shall be printed on recycled content paper.

All of Customer education materials shall be produced and/ or available in English, Mandarin, and Korean languages, including pictures wherever applicable.

6.3.1 ON-GOING EDUCATION REQUIREMENTS

Contractor will provide a minimum of the following Customer education items to be developed at Contractor's expense and distributed as indicated below:

A. Initial Mailing. Contractor will prepare and mail an initial mailing to Customers explaining the transition from the existing program to the new program. The mailing will describe program changes, route changes, dates of program implementation, and other necessary information.

B. How-To Instructional Packet. Contractor will prepare and distribute an Instructional Packet to new Customers when they start service. At a minimum, packet should include the following information.

- Description of available services,
- Explanation of when, where, and how to place Containers for Collection,
- Explanation of which materials should be placed in each Container,
- Service phone number and who to contact with service or billing questions.
- Designated Holidays

C. Container Labels and Instructions. All Containers shall be labeled in accordance with CalRecycle requirements under SB 1383 throughout the term of this Agreement. Contractor will place stickers and/or hot stamp, Recyclable and Organics Carts, and will place stickers on Bins and Roll-Off Boxes to demonstrate to Customers which materials are and are not acceptable for placement in each Container. Stickers shall be replaced when materials change or as labels become worn. Markings shall be written in English, Mandarin, and Korean.

D. **Annual Brochure/Mailing.** Not less than once per year during each Rate Year, Contractor shall prepare and distribute to each Customer a mailing to update Customers regarding program basics, program changes, holiday schedules and other services related information.

Mailings should promote and explain: all Solid Waste programs offered by City and Contractor (such as Recycling, Organics, Holiday Tree, Bulky Item Collections, and FreeCycle. com) described in detail; the environmental, regulatory, and other benefits of participating in Recycling; how to properly Dispose of Household Hazardous Waste such as syringes, paint, etc.; Collection schedules, including holiday schedules; Customers service numbers; and the procedures to begin and terminate services (if moving from Premises).

The mailing shall also include all information required in 14 CCR Section 18985.1(a), including but not limited to the requirements on:

- Information on Organic Waste Generator's requirements to properly separate materials in appropriate containers.
- Information on methods for the prevention of organic waste generation, recycling organic waste on-site, sending organic waste to community composting, and any other local requirements regarding organic waste.
- Information regarding the methane reduction benefits of reducing the Landfill Disposal of Organic Waste, and the methods of Organic Waste recovery Contractor uses.
- Information regarding how to recover organic waste.
- Information related to public health and safety and environmental impacts associated with the Landfill Disposal of Organic Waste.
- Information regarding programs for the donation of Edible Food.
- Information regarding self-hauling requirements. Contractor will update and maintain its website to include all information covered in outreach materials; as well as the multi-family recycling instructional materials to be utilized by property owners, Front-of-house container labels, and links to the City's information about Edible Food donation and self-haul.

This brochure shall be at least four (4) pages and printed in full color. Contractor is responsible for all associated costs.

E. **Billing Inserts**. City may require Contractor to insert notices in Contractor's Billings up to four (4) times per year. City may instruct Contractor to prepare such notices at Contractor's expense, or may choose to provide such notices for insertion. Additionally, City may periodically request that Contractor include informative language directly on the invoices it sends.

F. **Second Annual Mailer.** Not less than once per year during each Rate Year, Contractor shall prepare and distribute to each Customer a one (1) page, double-sided mailer printed in full color. City and Contractor shall meet and confer to determine the subject matter of mailer. Contractor is responsible for all associated costs. The method of delivery to Customers is at the City' s discretion.

F. Corrective Action Notice. Contractor shall develop a corrective action notification form for use in instances where a Customer sets out unacceptable materials for Collection, that explains the correct manner for Disposal of such items.

G. Technical Assistance. Contractor is responsible for providing technical assistance to Customers to promote participation in the Diversion programs included in this Agreement, and future regulatory requirements. Contractor may utilize the services of a consultant to provide these services upon approval by the City.

H. Website. The Contractor shall develop and maintain a website dedicated to services provided in the City that is accessible by the public. The web site shall include answers to frequently asked questions; holiday schedules; rates for Collection services; acceptable materials and by waste stream (Recyclables, Organics, and Refuse); proper Household Hazardous Waste Disposal procedures; other useful information, as well as informing Customers how to Contact Contractor. The Contractor's website shall provide the public with the ability to e-mail complaints to the Contractor and request services or service changes. (see Section 6.2.2)

6.3.2 AB 341, AB 1826, AND SB 1383 COMPLIANCE

Contractor shall ensure the City's compliance with AB 341, AB 1826, and SB 1383 by implementing the planned tasks, procedures, proposed staffing assignments, and schedules for AB 341, AB 1826, and SB 1383 included in Section 3.3.4 and more fully documented in the implementation plan included in Exhibit 5.

Contractor will participate in the promotion of Recyclables and Organic Waste services available to Residential, Multi-Family, and Commercial Customers and will fully cooperate with the City to promote Customer education as follows:

- Sending letters to Commercial Customers not recycling to inform them of the requirements of the Act;
- Assisting the City in informing Commercial Customers about the waiver and exemption process and distributing and providing assistance in the preparation of the required form.
- Completing a compliance review of all Commercial Customers that generate two cubic yards or more per week of Solid Waste per SB 1383 18995.1 (a)(1)(A);
- Contacting Commercial Customers not recycling, by telephone to inform them of the requirements of the Act;
- Conducting site visits to Commercial Customers not recycling or participating in Organics Collection, with each account not in compliance with the Act and subscribed to 2 cubic yards or more of Solid Waste service receiving at least one site visit every three years;

- Evaluating requests for exemption or waiver from the Act's requirements and providing the Contract Administrator periodic recommendations for exemption/waiver approval, including a site visit and re-evaluation at least every five years as required by the regulations;
- Providing the City with sufficient data, in a format provided by the City, for the City to accurately monitor Commercial recycling efforts in the City, including an annual list of accounts not in compliance with the Act and the account-holder's contact information; and
- Identifying and promoting recycling services available to Customers on the Contractor website, within its annual newsletter, and within the customer bill as an insert.

ARTICLE 7: FRANCHISE FEE, CALRECYCLE COMPLIANCE FEE, VEHICLE IMPACT FEE, AND OTHER FEES

In addition to any other consideration set forth herein, as part of its consideration for entering into this Agreement, and for the exclusive Franchise, right and privilege to provide Solid Waste Services as specified herein, Contractor shall provide the following:

7.1 FRANCHISE FEE

Contractor shall pay the City a Franchise Fee of _____ percent **[amount to be based on proposal Attachment 6, Form 2.0 Rate Revenue]** of Gross Receipts received from Customers billed by Contractor. The amount of the Franchise Fee may be increased by resolution of the City Council and, whenever said Franchise Fee is increased by resolution of the City Council, Contractor shall be permitted to pass through to Customers one hundred percent (100%) of the amount of such increase. Contractor and City agree that this Franchise Fee was set through good faith negotiations and represents the reasonable value of the public right-of-way franchise rights granted to Contractor under this Agreement and is a cost paid solely by the Contractor. Invoices submitted to Customers by Contractor shall not reference the Franchise Fee.

7.2 CALRECYCLE COMPLIANCE FEE

Contractor shall pay to the City a CalRecycle Compliance Fee of Seven Hundred Fifty Thousand dollars ($750,000) annually as adjusted herein. The CalRecycle Compliance Fee amount represents a reasonable allocation of the City's budgeted costs to comply with State mandates resulting from the enactment of AB 939 and subsequent related legislation including, but not limited to: AB 2176 (Chapter 879, Statutes of 2004), SB 1016 (Chapter 343, Statutes of 2008), AB 341 (Chapter 476, Statutes of 2011), AB 1826 (Chapter 727, Statutes of 2014), and SB 1383 (Chapter 395, Statutes of 2016) which require jurisdictions to implement solids waste Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements. Invoices submitted to Customers by Contractor shall not reference the CalRecycle Compliance Fee.

The CalRecycle Compliance Fee shall be paid in monthly installments over the course of each Rate Year. The initial monthly payments shall be Sixty-Two Thousand Five Hundred ($62,500) due under the terms of Section 7.6. The foregoing notwithstanding, beginning with Rate Year 2 (July 1, 2026) and for all subsequent Rate Years, the amount of the CalRecycle Compliance Fee shall be adjusted annually to reflect the change in the average annual CPI for the twelve (12) month period ending December. If there is no increase in the CPI or if the CPI decreases, the CalRecycle Compliance Fee shall remain unchanged from the previous Rate Year.

7.3 RESIDENTIAL VEHICLE IMPACT FEE

Contractor shall pay a Residential Vehicle Impact Fee of One Hundred Seventy-Five Thousand dollars ($175,000) annually as adjusted herein. The purpose of the Residential Vehicle Impact Fee is to reimburse the City for a portion of the costs to provide road maintenance to City's streets due to the "wear and tear" caused by the use of Contractor's Solid Waste Collection vehicles on City Streets.

The Residential Vehicle Impact Fee shall be paid in monthly installments over the course of each Rate Year. The initial monthly payments shall be Fourteen Thousand Five Hundred Eighty-Three dollars and Thirty-Three cents. ($14,583.33) due under the terms of Section 7.6. The foregoing notwithstanding, beginning with Rate Year 2 (July 1, 2026) and for all subsequent Rate Years, the amount of the Residential Vehicle Impact Fee shall be adjusted annually to reflect the change in the average annual CPI for the twelve (12) month period ending December as calculated in Section 10.4.3. If there is no increase in the CPI or if the CPI decreases, the Residential Vehicle Impact Fee shall remain unchanged from the previous Rate Year.

7.4 RESIDENTIAL STREET SWEEPING FEE

Contractor shall pay a Residential Street Sweeping Fee of One Hundred Seventy-Five Thousand dollars ($175,000) annually as adjusted herein. The purpose of the Residential Street Sweeping Fee is to reimburse the City for the cost of sweeping residential streets.

The Residential Street Sweeping Fee shall be paid in monthly installments over the course of each Rate Year. The initial monthly payments shall be Fourteen Thousand Five Hundred Eighty-Three dollars and Thirty-Three cents. ($14,583.33) due under the terms of Section 7.6. The foregoing notwithstanding, beginning with Rate Year 2 (July 1, 2026) and for all subsequent Rate Years, the amount of the Residential Vehicle Impact Fee shall be adjusted annually to reflect the change in the average annual CPI for the twelve (12) month period ending December as calculated in Section 10.4.3. If there is no increase in the CPI or if the CPI decreases, the Residential Street Sweeping Fee shall remain unchanged from the previous Rate Year.

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7.5 CONTRACTING FEE

Contractor shall make a one-time lump sum payment of One Hundred Thousand Dollars ($100,000) within seven (7) Business Days of execution of this Contract to reimburse the City for costs it incurred in connection with entering into this Agreement.

7.6 TIME AND METHOD OF FEE PAYMENTS TO THE CITY

On or before the thirtieth (30^{th}) day month following the end of calendar month, during the Term of this Agreement, Contractor shall remit to City The Franchise Fee, CalRecycle Compliance Fee, Residential Vehicle Impact Fee, and Residential Street Sweeping Fee as described in section 7.1 through 7.4.

The fee payments shall be submitted with an itemized statement identifying the amount of each fee. If the fees are not paid to the City on or before the thirtieth (30th) day following the end of the calendar month, Contractor shall pay to City a penalty in an amount equal to ten percent (10%) of the amount of each delinquent fee, or portion thereof, owing for that month. Contractor shall pay an additional ten percent (10%), on any unpaid balance for each following thirty (30) day period the fees remain unpaid. Late payment penalties shall not be included in any revenue requirement.

Each monthly Franchise Fee remittance to City shall be accompanied by a statement detailing Gross Receipts from Customers billed by Contractor for the period covered from all operations conducted or permitted, pursuant to this Agreement. In addition, Contractor shall maintain copies of all Billing and Collection records for five (5) years, following the date of billing, for inspection and verification by City at any reasonable time upon request. Each Franchise Fee payment shall be accompanied by the following certification which shall be executed by an officer of the Contractor: “I hereby certify that the foregoing statement of the payment to the City is made by me, that I am authorized to make such payment of the amount of the payment due, and that to the best of my knowledge and belief, the amount of the payment is true, correct and complete.”

ARTICLE 8: RECORDS, REPORTS AND INFORMATION REQUESTS

8.1 GENERAL

Contractor shall maintain such accounting, statistical and other records related to its performance under this Agreement as shall be necessary to develop the financial statements and other reports required by this Agreement. Also, Contractor agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with Applicable Laws and regulation and to meet the reporting and Solid Waste program management needs of City. To this extent, such requirements set out in this and other Articles of this Agreement shall not be considered limiting or necessarily complete. In particular, this Article is intended to only highlight the general nature of records and reports and is not meant to define exactly what the records and reports are to be and their content. Further, with the written direction or approval of City, the records and reports to be maintained and provided by Contractor in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

8.2 RECORDS

8.2.1 GENERAL

Contractor shall maintain records required to conduct its operations, to support requests it may make to City, and to respond to requests from City in the conduct of City business. Adequate record security shall be maintained to preserve records from events that can be reasonably anticipated such as a fire, theft, and earthquake. Electronically maintained data/records shall be protected and backed up. All records shall be maintained for five (5) years, and shall continue to be available for five (5) years after the expiration of this Agreement. After minimum holding periods are met, Contractor will notify City 90 days before destroying records and offer records to the City.

City shall have the right to inspect or review the specific documents or records required expressly or by inference pursuant to this Agreement, or any other similar records or reports of Contractor or its Affiliates that City shall deem, in its sole discretion, necessary to evaluate annual reports, and Contractor' s performance provided for in this Agreement.

Contractor agrees that the records of any and all companies conducting operations addressed in the Agreement shall be provided or made available to City and its official representatives during normal business hours. Account histories shall be accessible to the City by computer for a minimum of five (5) years after termination of the Agreement.

Contractor shall make all records and documents to be reviewed and inspected by City as a part of any audit or other record review conducted by City, available for City' s review, inspection and copying within five (5) days of receiving written notice from City requesting the same. Additionally, City may review records at Contractor' s local facility during normal business hours, within five (5) days of request during normal business hours. Such records include, but are not limited to, financial, Solid Waste, CERCLA and Disposal records.

8.2.2 FINANCIAL RECORDS

Contractor shall maintain financial records and expense and revenue information pursuant to its operations pursuant to this Agreement shall be segregated from other areas served by Contractor.

Contractor shall maintain at least the following records:

- Audited financial statements for Contractor or, if a guarantee was provided, for the parent company guarantor as a whole;
- Financial statements (compiled, reviewed, or audited) of revenue and expense for this Agreement segregated from the other operations of Contractor (including without limitation

those operations of Contractor in City and surrounding jurisdictions which are not covered by this Agreement), including a description of segregation methodology; and,

- Complete descriptions of related party transactions (corporate and/or regional management fees, inter-company profits from Transfer, Processing or Disposal operations and supporting data).

8.2.3 SOLID WASTE RECORDS

Contractor shall maintain and make available to the City upon request the following records relating to its operations pursuant to this Agreement:

A. Customer services, billing, and City payment records;

B. Tons Collected, Processed, Diverted, and Disposed by waste stream (Refuse, Recycling, Organics), by Customer type (Cart, Residential Bin, Commercial and Roll-Off Box), and facilities (Transfer Station, MRF, Organic Material Processing Facility, Transformation Facility or Landfill) where such material was taken (Residential Bin versus Commercial Bin tonnage may be estimated based upon Container distribution or other method approved by City);

C. Quantity of Recyclable Materials recovered by material type;

D. Bulky Item, results including tons Disposed and Diverted;

E. Special Events tons including tons Disposed and Diverted;

F. Routes;

G. Facilities, equipment and personnel used;

H. Facilities and equipment operations, maintenance and repair;

I. Number of Refuse, Recycling and Organics Containers in service;

J. Complaints; and,

K. Missed pickups.

Contractor shall maintain copies of said Billings and receipts, each in chronological order, for a period of five (5) years after the date of service and shall make said documents available for inspection by City upon request. Contractor may, at its option, maintain those records in computer form, on microfiche, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner, are sufficient to verify accuracy of any Fees owed to the City, and may be produced in a form and manner sufficient to establish the existence of Customer obligations in a court of competent jurisdiction.

8.2.4 CERCLA DEFENSE RECORDS

City views the ability to defend against the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), State Hazardous Substance Law, and related litigation as a matter of great importance. For this reason, the City regards the ability to prove where Solid Waste Collected in the

City was taken for Disposal, as well as where it was not taken, to be matters of concern. Contractor shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the City was Landfilled (and therefore establish where it was not Landfilled) and provide a copy or summary of the reports required in Section 8.3 for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement, or to provide copies of such records to City.

Contractor agrees to notify City's Manager and City Attorney before destroying such records and to offer records to the City. This provision shall survive the expiration of the period during which Collection services are to be provided under this Agreement.

8.2.5 OTHER PROGRAMS' RECORDS

Records for other programs shall be tailored to specific needs. In general, they shall include:

A. Plans, tasks, and milestones; and,

B. Accomplishments in terms such as dates, activities conducted, quantities of products used, produced, or distributed, and numbers of participants and responses.

8.2.6 AUDIT

City may conduct an audit of Contractor at any time. The scope of the audit, and auditing party, will be determined by City and the scope may include, but is not limited to:

A. Extraordinary rate adjustment request;

B. Compliance with terms of this Agreement;

C. Customer service levels and Billing;

D. Fee payments;

E. Gross Receipts;

F. Tonnage;

G. Complaint log;

H. Compliance with Mandatory Commercial Recycling, Mandatory Commercial Organics, and SB 1383; and

I. Verification of Diversion rate.

The first audit, to be performed during calendar year 2027, will be based on the Contractor' s reports and records from the start of the Agreement through calendar year 2026. Audits may be performed every third year thereafter (the triennial audit) and will be based on the period from the end of the previous audit through the end of the calendar year before the year in which the audit is to be performed.

Contractor will reimburse the City the cost of such audits (including audits conducted by City staff) as shown in the following table.

Audit Performed	Audit Amount
2027	$90,000
2030	$98,000
2033	$108,000

Audit payments from the Contractor to the City are due January 1 of year the audit is being performed.

Should the Agreement be extended beyond the extension terms as described in Section 2.5, the audits shall continue every third year, and each additional audit amount shall be increased by ten-thousand dollars ($10,000) per audit period for audits conducted after 2035.

Should an audit conducted or authorized by the City disclose that Franchise or other fees payable by the Contractor were underpaid by two percent (2%) or more, or that tonnage was mis-reported by 2% or more, or that more than 2% of the Customers were inaccurately billed, for the period under review, City may expand the scope of the audit and Contractor shall pay for additional audit costs.

8.2.7 PAYMENTS AND REFUNDS

Should an audit by the City disclose that any of the City fees payable by the Contractor were underpaid or that Customers were overcharged for the period under review, Contractor shall pay to City any underpayment of City fees and/or refund to Contractor's Customers any overcharges within sixty (60) days following the date of the audit. Contractor shall pay interest to the City for any underpayment or overcharges at an annual rate of 6%. Undercharges shall not be billed in arrears for more than ninety (90) days of service, with any remaining undercharges absorbed by Contractor. Should an audit disclose that fees were overpaid, City shall credit such amounts against future fees payable by Contractor with interest of 6%.

8.3 REPORTS

Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed.

Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

- Determine and set rates and evaluate the efficiency of operations;
- Evaluate past and expected progress toward achieving AB 939 goals and objectives;
- Determine needs for adjustment to programs; and,
- Evaluate Customer service and complaints.

Contractor may propose report formats that are responsive to the objectives and audiences for each report. The format of each report requires approval by City. The Contractor agrees to submit all reports by electronic means in a format compatible with City's software/computers at no additional charge, if requested by City. Contractor will provide a certification statement, under penalty of perjury, by an authorized Contractor official, that the report being submitted is true and correct.

Monthly and Quarterly reports shall be submitted within 30 calendar days after the end of the reporting period. Annual reports shall be submitted within sixty (60) days following the reporting year. If requested, Contractor's complaint summary, shall be sent to the City Administrator within five days of request.

All reports shall be submitted electronically and in an electronic format compatible with City's software/computers, at no additional charge, to City Manager and / or other City staff designated by the City Manager at e-mail addresses to be provided by City. City may additionally request hard copies, which would be delivered to:

City Manager (or designated representative)
City of Diamond Bar
21810 Copley Driver
Diamond Bar, CA 91765

8.3.1 MONTHLY REPORTS

A. Solid Waste Collected by Contractor for each month, sorted by type of Solid Waste (Refuse, Recyclable and Organic Materials) and type of Customer (Residential Curbside Service, Commercial, or Roll-Off Box Service) in tons, and the facilities where the tons were Processed or Disposed. Bulky Waste items shall be reported as a separate line item. This report is to be submitted in Microsoft Excel, or another software as requested by City.

B. Number of Warning notices issued for contaminated Recyclable and Organics Containers, and HHW improperly placed for Collection.

C. Narrative summary of problems encountered and actions taken with recommendations for City, as appropriate.

D. HHW Collected.

E. Customer complaint logs as described in Section 6.2.3.

8.3.2 QUARTERLY REPORTS

The information listed shall be the minimum reported:

A. Copies of promotional and public education materials sent during the quarter.

B. Commercial recycling and organics site visits summary, including the name and address of Customer, the date of the visit and the contact name and phone number, demonstrating that the required visits have been made, and reason provided for not establishing a recycling or organics program, in accordance with Sections 3.3.4. The site visit summary will be completed on forms approved by the City.

C. List of Customers that are required to participate in an Organics Recycling program per Public Resources Code Section 42649.81.

D. List of Commercial and Multi-Family Premises Customers that do and do not participate in an Organics program, whether the Organics program is provided by Contractor or another party, and whether the program is for Food Waste and/or Yard Waste (such as a landscaper that composts or otherwise Diverts Organic Materials).

E. Commercial and Multi-Family Customers participating in food recovery programs.

F. Commercial and Multi-Family Customers using third-party recycling.

G. Additional information that may be requested by CalRecycle or City related to Recycling and Organics programs.

8.3.3 ANNUAL REPORTS

The Annual Report is to be essentially in the form and content of the monthly and quarterly reports combined, but shall also include:

A. A complete inventory of equipment used to provide all services (such as vehicles and Containers by size and waste stream type Container is used for).

B. Results of route audits.

C. Number of routes and route hours per day by type of service.

D. Copy of Hazardous Waste Diversion records showing types and quantities, if any, of Hazardous Waste that was inadvertently Collected, but Diverted from Landfill Disposal.

E. Copies of all public education and outreach distributed during the reporting year including the date of distribution.

F. A narrative summary of all City-sponsored, civic, and school events attended.

G. Copies of invoices documenting the amount of RNG used to provide services in the City. If routes are commingled with other jurisdictions, Contractor must use an allocation method to quantify the City's allocated amount.

ADDENDUM #1

8.3.4 FINANCIAL REPORTS

The City may, at City's option, request the Contractor's audited financial reports/statements (or parent company, if parent company submits Corporate Guaranty of Performance), and Contractor's internally prepared supplemental statement of income and expenses related specifically to the City Diamond Bar operations, for the most recently completed fiscal year in connection with an extraordinary rate adjustment request, billing audit, Franchise Fee audit, or verification of other information required under this Agreement.

The financial statements and footnotes shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited, in accordance with Generally Accepted Auditing Standards (GAAS) by a certified public accountant (CPA) licensed (in good standing) to practice public accounting in the State of California as determined by the State of California Department of Consumer Affairs Board of Accountancy. The cost for preparation of the financial statements and audit shall be borne by Contractor as a direct cost of service. In addition, Contractor shall provide to City the supplemental schedule on a compiled basis showing Contractor's results of operations, including the specific revenues and expenses in connection with the operations provided for in this Agreement, separated from others included in such financial statements.

8.4 REPORTING ADVERSE INFORMATION

Contractor shall provide City two copies (one to the City Administrator, one to the City Attorney) of all reports, pleadings, applications, notifications, Notices of Violation, communications or other material relating specifically to Contractor's performance of services pursuant to this Agreement, submitted by Contractor to, or received by Contractor from, the United States or California Environmental Protection Agency, CalRecycle, the Securities and Exchange Commission or any other federal, state or local agency, including any federal or state court. Copies shall be submitted to City simultaneously with Contractor's filing or submission of such matters with said agencies. Contractor's routine correspondence to said agencies need not be routinely submitted to City, but shall be made available to City promptly upon City's written request.

8.5 RIGHT TO INSPECT RECORDS

City shall have the right to inspect or review the specific documents or records required expressly or by inference pursuant to this Agreement, or any other similar records or reports of Contractor or its related party entities that City shall deem, in its reasonable discretion, necessary to evaluate annual reports, compensation applications provided for in this Agreement and Contractor's performance provided for in this Agreement. Contractor shall make all records and documents to be reviewed and inspected by the City as a part of any audit or other record review conducted by the City, available for the City's review, inspection and copying within five business days (excluding Saturday, Sunday and Designated Holidays) of receiving written notice from the City requesting the same.

8.6 FAILURE TO REPORT

The refusal or failure of Contractor to file any required reports, or to provide required information to City, or the inclusion of any materially false or misleading statement or representation by Contractor in such report shall be deemed a material breach of the Agreement as described in Section 11.1 and shall subject Contractor to all remedies which are available to the City under the Agreement, the City of Diamond Bar Municipal Code, or otherwise.

ARTICLE 9: REVIEW OF SERVICES AND PERFORMANCE

9.1 PERFORMANCE REVIEW MEETING

City may hold a meeting annually to review Contractor's Solid Waste Collection efforts, source reduction, Processing and other Diversion services and overall performance under this Agreement (the " Solid Waste Services and Performance Review Meeting"). The purpose of the Solid Waste Services and Performance Review Meeting is to provide for a discussion and review of technological, economic, and regulatory changes in Collection, source reduction, Recycling, Processing and Disposal to achieve a continuing, advanced Solid Waste Collection, source reduction and Recycling and Disposal system; and to ensure services are being provided with adequate quality, effectiveness and economy, and in full compliance with the terms of this Agreement. Topics for discussion and review at the Solid Waste Services and Performance Review Meeting shall include, but shall not be limited to, services provided, feasibility of providing new services, application of new technologies, Customer complaints, amendments to this Agreement, developments in the law, new initiatives for meeting or exceeding AB 939's goals, regulatory constraints, results of route audits, and Contractor performance. City and Contractor may each select additional topics for discussion at any Solid Waste Services and Performance Review Meeting.

City shall notify Contractor of its intent to hold a Solid Waste Services and Performance Review Meeting at least sixty (60) days in advance thereof. Thirty (30) days after receiving notice from City of a Solid Waste Services and Performance Review Meeting, Contractor shall submit a report to City which may contain such information as it wishes to have considered, and shall contain the following:

A. Current Diversion rates and a report on Contractor' s outreach activities for the past year.

B. Recommended changes and/ or new services to improve City' s ability to meet the goals of AB 939 and to contain costs and minimize impacts on rates. A specific plan for AB 939 compliance shall be included.

C. Any specific plans for provision for new or changed services by Contractor.

The reports required by this Agreement regarding Customer complaints shall be used as one basis for review of Contractor' s performance, and Contractor may submit other relevant performance information and reports for consideration at the Solid Waste Services and Performance Review

Meeting. In addition to the above, City may request Contractor to submit any other specific information relating to its performance for consideration at the Solid Waste Services and Performance Review Meeting, and any Customer may submit comments or complaints during or before the Meeting, either orally or in writing. Contractor shall be present at and participate in the Solid Waste Services and Performance Review Meeting.

As a result of its findings following any Solid Waste Services and Performance Review Meeting, City may require Contractor to provide expanded or new services within a reasonable time and City may direct or take corrective actions for any performance inadequacies (although nothing contained in this provision should be construed as requiring City to hold a Solid Waste Services and Performance Review Meeting in order to enforce any rights or remedies it has pursuant to the terms hereof.) Should City require expanded or new services as a remedy for Contractor' s failure to perform its obligations hereunder, no additional compensation shall be due for such services. Otherwise, any new or expanded services required of Contractor shall be subject to the provisions of Section 2. 10.

9.2 PERFORMANCE SATISFACTION SURVEY

If requested by the City, Contractor will create and conduct a survey at Contractor' s expense. If City would like to present results at a Solid Waste Services and Performance Review Meeting, City shall notify Contractor of its desire for such a survey at least 90 days in advance of the Solid Waste Services and Performance Review Meeting. The purpose of the survey is to determine Customer satisfaction with current Collection services and Customer service provided by Contractor. The Survey will be distributed to one hundred percent (100%) of the Customers. Contractor shall obtain City' s approval of the survey' s content, format, and mailing list prior to its distribution. City may require that Contractor have Customer responses to the survey returned directly to City. The survey results shall be made available to the City thirty (30) days prior to the Solid Waste Services and Performance Review Meeting.

ARTICLE 10: CONTRACTOR COMPENSATION AND MAXIMUM SERVICE RATES

10.1 CONTRACTOR COMPENSATION

The maximum approved rates set forth in Exhibit 1, as more fully defined as Contractor Compensation in this Article, shall be the maximum amount that the Contractor may charge Customers, as full, entire and complete compensation due pursuant to this Agreement for all labor, equipment, materials and supplies, fees or surcharges due to the City as applicable, taxes, insurance, bonds, letters of credit, overhead, Disposal, Transfer, Processing, profit and all other things necessary to perform all the services required by this Agreement in the manner and at the times prescribed.

From time to time, Customers may request services for which a rate is not provided in Exhibit 1. In such cases, Contractor shall so advise the Contract Administrator and the Customer and Contractor shall negotiate a rate for the requested services. If agreement cannot be reached, the matter shall be referred to the Contract Administrator for establishment of the rate. Approved rates for requested services shall be included in Exhibit 1 in the next Rate Year.

The Contractor shall impose no other charges for services provided under this Agreement to Customers unless approved in advance in writing by the City Manager.

10.2 INITIAL RATES

The rates beginning September 1, 2025 and ending June 30, 2026 shall not exceed those set forth in Exhibit 1 hereto, unless amended by a written amendment to this Agreement entered into by and between the City and the Contractor. Contractor has reviewed these maximum rates and agrees they are reasonably expected to generate sufficient revenues to provide adequate Contractor Compensation. Unless and until the maximum rates set forth on Exhibit 1 are adjusted, Contractor will provide the services required by this Agreement, charging no more than the maximum rates authorized by Exhibit 1, except as provided herein and in Section 10.3.

10.3 SCHEDULE OF FUTURE ANNUAL RATE ADJUSTMENTS

Beginning with Rates Year starting July 1, 2026 and ending on June 30, 2027 and for all subsequent Rate Years, Contractor may request an annual adjustment to the maximum rates shown in Exhibit 1. The Contractor shall submit its request in writing, to be received by City in Person or via certified mail, by the preceding March 31, and shall be based on the method of adjustment described in Section 10.4. All future adjustments are to be effective July 1 of the same calendar year, following the March 31 submission deadline. The City shall consider a failure to submit a written request by March 31 as Contractor's determination not to seek an adjustment and shall constitute a waiver by Contractor of its right to request such an increase for the subsequent Rate Year. However, the City reserves the right to initiate a rate adjustment in instances where the Contractor fails to submit a written rate adjustment request. Adjustment to the maximum rates is subject to the approval of the City Manager.

If an annual adjustment that would have resulted in a rate decrease is not implemented for any reason, the next rate adjustment will be measured based on the change in indices from the last implemented rate adjustment; the intent is to ensure subsequent rate increases shall be offset with any decrease not previously implemented.

Any rate adjustment percentage calculated using the procedure described in Section 10.4 resulting in a rate adjustment percentage greater than 5% in any Rate Year shall be capped at 5%. Any percentage amount over 5% or portion thereof in any one Rate Year will be carried over into any future Rate Year with a rate adjustment of less than 5%.

10.4 METHOD OF ADJUSTMENTS

Pursuant to Section 10.3, the Contractor may request an adjustment to the maximum rates for all rates using the Excel worksheet entitled Exhibit 2 Rate Adjustment Procedure, subject to review and approval of the City. Exhibits 2A through 2D provide examples from the Excel worksheet. Exhibit 2E provides examples for calculating the average annual changes in the public indices.

The rate adjustment calculation shall be prepared by completing the separate tabs in the Excel worksheet; Tab 2A for Single-Family Cart Service, Tab 2B for Bin Service, TAB 2C for Roll-Off Box Service, and Tab 2D for Other Services.

10.4.1 PROCEDURE FOR SINGLE-FAMILY CART SERVICE AND BIN SERVICE

The following procedure applies for both Tab 2A – Single Family Cart Service and Tab 2B – Bin Service.

Step One: Calculate Collection Component Percentage Change.

STEP ONE: Calculate Collection Component Percentage Change							
		A	B	C	D	E	F
Row	Cost Category	Previous Index Value [1]	New Index Value [2]	Percent Change in Index (COL B - COL A) / COL A	Component Weighting [3]	Weighted Percentage Change (COL C * COL D)	Index Source
1	Labor	26.250	27.040	3.0095%	25.000%	0.75%	Note 10
2	Fuel	230.298	299.751	30.1577%	5.000%	1.51%	
3	Equipment	153.450	156.743	2.1460%	20.000%	0.43%	
4	Other (Except Material Handling)	288.798	305.458	5.7687%	27.000%	1.56%	
5	**Total Collection Component**				77.000%	4.247%	

The Collection Cost Component shall be calculated based on the following Cost Categories and Indices.

Cost Category	Index
Labor	Driver rates based on labor agreement.
Fuel	Producer Price Index WPU05522101PPI – Commodity data for Fuels and related products and power-Commercial natural gas, not seasonally adjusted.
Equipment	Producer Price Index PCU33612-33612 – Industry data for Heavy duty truck manufacturing, not seasonally adjusted.
All Other	Consumer Price Index CUURS49ASA0L1E – All items less food and energy in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted.

The following procedural steps for completing Step One in Tab 2A – Single-Family Carts and Tab 2B – Bin Service refer to the image above.

ADDENDUM #1

1) In Column A, enter the “Previous Index Values” for each Cost Category. For Rate Year July 1, 2026 rate adjustment application, the "Previous Index Value" shall be the annual average values of the indices for the year ending December 2025.

   For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Previous Index Value" shall be the indices values from the previous year's rate adjustment application.

2) In Column B, enter the "New Index Value" for each Cost Category. The “New Index Value” shall be the annual average values of the indices ending December of the prior year.

3) In Column D, enter the “Component Weightings” for each Cost Category. For Rate Year July 1, 2026 rate adjustment application, "Component Weighting" shall be based [BASED ON CONTRACTOR’S PROPOPSAL].

   For Subsequent rate adjustment applications beginning with Rate Year July 1, 2027, "Component Weightings" shall be as calculated in Step 5.

Step Two: Calculate Material Handling Component Index.

STEP TWO: Calculate Material Handling Component Index							
		G	H	I	J	K	L
Row	Facilities [4]	Prior Period Tonnage [5]	Prior Period Gate Fees [6]	Prior Period Material Handling Cost (COL G * COL H)	12 Month Period Ending December Tonnage [7]	Gate Fees Effective December [8]	Estimated Material Handling Cost (COL J * COL K)
6	Refuse [FACILTY NAME]	14,643.4	$75.00	1,098,255	14,643.4	$78.75	1,153,168
7	Recycling [FACILITY NAME]	3,640.1	$90.00	327,609	3,640.1	$94.50	343,989
8	Organics [FACILITY NAME]	7,040.9	$90.00	633,681	7,040.9	$94.50	665,365
9	Unused			-	-		-
10	**Totals**	**25,324**		**$2,059,545**	**25,324**		**$2,162,522**
11	**Prior Period Index Value (G11 / I11) >>**			**$81.3265**	**New Index Value (J11 / L11) >>**		**$85.3928**

The following procedural steps for completing Step Two in Tab 2A – Single-Family Carts and Tab 2B – Bin Service refer to the image above.

1) Post collection facilities [BASED ON CONTRACTOR’S PROPOSAL].

2) For Rate Year July 1, 2026 rate adjustment application, the "Prior Period Tonnage" values will be [BASED ON CONTRACTOR’S PROPOSAL].

   For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Prior Period Tonnage" values shall be the values from previous year's rate application.

3) For Rate Year July 1, 2026 rate adjustment application, the "Prior Period Gate Fee" values will be [BASED ON CONTRACTOR’S PROPOSAL].

ADDENDUM #1

For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Prior Period Gate Fees" values shall be the values from previous year's rate application.

4) The Tonnage for each facility shall be the total tons delivered to the facility for the previous 12-month period ending December 31st.
5) The "Gate Fees" values shall be [TO BE NEGOTIATED BASED ON CONTRACTOR’S PROPOSAL.]

Step Three: Calculate Percentage Change in Weighted Material Handling Component Index.

STEP THREE: Calculate Percentage Change in Weighted Material Handling Index						
		M	N	O	P	Q
Row	Cost Category	Previous Index Value (COL I, ROW 11)	New Index Value (COL K, ROW 11)	Percent Change in Index (COL N - COL M) / COL M	Component Weighting [3]	Weighted Percentage Change
12	Material Handling Component	81.3265	85.3928	5.0000%	23.00%	1.15%

The following procedural steps for completing Step Three in Tab 2A – Single-Familyl Carts and Tab 2B – Bin Service refer to the image above.

1) Calculate the percentage change in the index and multiply by component weighting.
2) For Rate Year July 1, 2026 rate adjustment application, "Component Weighting" shall be based [BASED ON CONTRACTOR’S PROPOPSAL].

   For Subsequent rate adjustment applications, "Component Weightings" shall be as calculated in Step 5.

Step Four: Calculate The Permitted Percentage Rate Change.

STEP FOUR: Calculate the Permitted Percentage Rate Change						
		R	S	T	U	V
Row	Cost Component	This Period Percentage Rate Adjustment	Allowed Carry Over Prior Period(s)	Total Allowed Percentage Rate Adjustment (COL R + COL S)	Maximum 5% any Rate Year (Next Period Carryover)	Total Permitted Percentage Rate Adjustment (COL T - COL U)
13	Collection Component	4.2470%				
14	Material Handling Component	1.1500%				
15	**Total**	**5.3970%**	**0.0000%**	**5.3970%**	**0.3970%**	**5.0000%**

The following procedural steps for completing Step Four in Tab 2A – Single-Family Carts and Tab 2B – Bins Service refer to the image above.

1) Column R, Row 15 is the total percentage rate adjustment by summing the Collection Component and the Material Handling Component.

ADDENDUM #1

2) Any Allowed Carry Over percentage from prior period(s) may be entered into Column S, Row 15.
3) Column T, Row 15 represents the total Rate Adjustment.
4) The percentage amount above the maximum 5% is calculated in Column U, Row 15.
5) Column V, Row 15 calculated the Permitted Percentage Rate Adjustment.

Step Five: Calculate Cost Component Weightings For Future Rate Adjustment Calculations.

STEP FIVE: Calculate the Cost Components Weighting for Future Rate Adjustment Calculation						
		W	X	T	Z	AA
Row	Cost Component	Component Weighting This Period	Percentage Change as Applied to Rate Adjustment	Increase in Cost Components (W * X)	Cost Component Increased (W + T)	Cost Components Reweighted to Equal 100% for Future Adjustments
16	Labor	25.0000%	0.7524%	0.1881%	25.188%	24.9302%
17	Fuel	5.0000%	1.5079%	0.0754%	5.075%	5.0234%
18	Equipment	20.0000%	0.4292%	0.0858%	20.086%	19.8802%
19	Other (Except Material Handling)	27.0000%	1.5576%	0.4205%	27.421%	27.1398%
20	Material Handling Component	23.0000%	1.1500%	0.2645%	23.265%	23.0263%
21	**Total**	**100.00%**	**5.40%**	**1.03%**	**101.03%**	**100.00%**

Under Tab 2A – Single-Family Carts and Tab 2B – Bins Service, the component weights are automatically reset to equal 100% for use in the subsequent rate adjustment.

Step Six: Calculate The Adjusted Rate.

STEP SIX: Calculate the Adjusted Rate					
		AB	AC	AD	AE
Row	Rate Category	Current Rate	Permitted Percentage Change (from Row 15 Column V)	Rate Increase or Decrease (Column AB x Column AC)	Adjusted Rate (Column AB + Column AD)
22		$ 25.00	5.0000%	1.25	$ 26.25
23		$ 25.00	5.0000%	1.25	$ 26.25
24		$ 25.00	5.0000%	1.25	$ 26.25

The following procedural steps for completing Step Six in Tab 2A – Single-Family Carts and Tab 2B – Bins Service refer to the image above.

1) Column AB, Row 22 and as many subsequent rows are required, enter the rates for each service provided under the franchise agreement.

2) Column AC represents the permitted percentage rate change.
3) Column AD represents the applicable rate increase or decrease.
4) Column AE represents the adjusted rate.

10.4.2 PROCEDURE FOR ROLL-OFF BOX SERVICE

The following procedure applies for Tab 2C – Roll-Off Box Service.

Step One: Calculate Collection Component Percentage Change.

STEP ONE: Calculate Collection Component Percentage Change							
		A	B	C	D	E	F
Row	Index	Previous Index Value [1]	New Index Value [2]	Percent Change in Index (COL B - COL A) / COL A	Component Weighting [3]	Weighted Percentage Change (COL C * COL D)	Index Source
1	Labor	26.250	27.040	3.0095%	30.000%	0.90%	Note 5
2	Fuel	230.298	299.751	30.1577%	6.000%	1.81%	
3	Equipment	153.450	156.743	2.1459%	25.000%	0.54%	
4	Other (Except Material Handling)	288.798	305.458	5.7687%	39.000%	2.25%	
5	**Total Collection Component**				100.000%	5.499%	

The Collection Cost Component shall be calculated based on the following Cost Categories and Indices.

Cost Category	Index
Labor	Driver rates based on labor agreement.
Fuel	Producer Price Index WPU05522101PPI – Commodity data for Fuels and related products and power-Commercial natural gas, not seasonally adjusted.
Equipment	Producer Price Index PCU33612-33612 – Industry data for Heavy duty truck manufacturing, not seasonally adjusted.
All Other	Consumer Price Index CUURS49ASA0L1E – All items less food and energy in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted.

The following procedural steps for completing Step One in Tab 2C – Roll-Off Box Service refer to the image above.

1) In Column A, enter the “Previous Index Values” for each Cost Category. For Rate Year July 1, 2026 rate adjustment application, the "Previous Index Value" shall be the annual average values of the indices for the year ending December 2024.

ADDENDUM #1

For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Previous Index Value" shall be the indices values from the previous year's rate adjustment application.

2) In Column B, enter the "New Index Value" for each Cost Category. The “New Index Value” shall be the annual average values of the indices ending December of the prior year.

3) In Column D, enter the “Component Weightings” for each Cost Category. For Rate Year July 1, 2026 rate adjustment application, "Component Weighting" shall be based [BASED ON CONTRACTOR’S PROPOPSAL].

   For Subsequent rate adjustment applications, "Component Weightings" shall be as calculated in Step 5.

Step Two: Calculate The Permitted Percentage Rate Change.

STEP TWO: Calculate the Permitted Percentage Rate Change							
		G	H	I	J	K	
Row	Cost Component	This Period Percentage Rate Adjustment	Allowed Carry Over Prior Period(s)	Total Allowed Percentage Rate Adjustment (COL G + COL H)	Maximum 5% any Rate Year (Next Period Carryover)	Total Permitted Percentage Rate Adjustment (COL I - COL H)	
6	Collection Component	5.4986%	0.0000%	5.4986%	0.4986%	5.0000%	

The following procedural steps for completing Step Four in Tab 2C – Roll-Off Box Service refer to the image above.

1) Column G, Row 5 is the total percentage rate adjustment.
2) Any Allowed Carry Over percentage from prior period(s) may be entered into Column H, Row 5.
3) Column I, Row 5 represents the total Rate Adjustment.
4) The percentage amount above the maximum 5% is calculated in Column J, Row 5.
5) Column K, Row 5 calculated the Permitted Percentage Rate Adjustment.

ADDENDUM #1

Step Three: Calculate Cost Component Weightings For Future Rate Adjustment Calculations.

STEP THREE: Calculate the Cost Components Weighting for Future Rate Adjustment Calculation						
		L	M	N	O	P
Row	Cost Component	Component Weighting This Period	Percentage Change as Applied to Rate Adjustment	Increase in Cost Components (L * M)	Cost Component Increased (L + N)	Cost Components Reweighted to Equal 100% for Future Adjustments
7	Labor	30.0000%	0.9029%	0.2709%	30.271%	29.8556%
8	Fuel	6.0000%	1.8095%	0.1086%	6.109%	6.0248%
9	Equipment	25.0000%	0.5365%	0.1341%	25.134%	24.7893%
10	Other (Except Material Handling)	39.0000%	2.2498%	0.8774%	39.877%	39.3304%
11	**Total**	**100.00%**	**5.50%**	**1.39%**	**101.39%**	**100.00%**

Under Tab 2C – Roll-Off Box, the component weights are automatically reset to equal 100% for use in the subsequent rate adjustment.

Step Four: Calculate Cost Component Weightings For Future Rate Adjustment Calculations.

STEP FOUR: Calculate the Permitted Rate Change					
		Q	R	S	T
Row	Rate Category	Current Rate	Total Weighted Percentage Change (from Row 6 Column K)	Rate Increase or Decrease (Column Q x Column R)	Adjusted Rate (Column Q + Column S)
12		$ 225.00	5.0000%	11.25	$ 236.25
13		$ 225.00	5.0000%	11.25	$ 236.25
14		$ 225.00	5.0000%	11.25	$ 236.25

The following procedural steps for completing Step Four in Tab 3A – Roll-Off Box Service refer to the image above.

1) In Column Q, Row 12 and as many subsequent rows are required, enter the rates for each service provided under the franchise agreement.
2) Column R represents the permitted percentage rate change.
3) Column S represents the applicable rate increase or decrease.
4) Column T represents the adjusted rate.

ADDENDUM #1

10.4.3 PROCEDURE FOR OTHER SERVICES

The following procedure applies for Tab 2D – Other Services.

STEP ONE: Calculate Percentage Change in Index								
		A	B	C	D	E	F	G
Row	Index	Previous Index Value [1]	New Index Value [2]	Percent Change in Index (COL B - COL A) / COL A	Allowed Carry Over Prior Period(s)	Total Allowed Percentage Rate Adjustment (COL C + COL D)	Maximum 5% any Rate Year (Next Period Caryover)	Total Permitted Percentage Rate Adjustment (COL E - COL F)
1	CPI	288.798	305.458	5.7687%	**0.0000%**	**5.7687%**	**0.7687%**	**5.0000%**

Rates for other services shall be based on changes in the Consumer Price Index CUURS49ASA0L1E – All items less food and energy in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted.

1) In Column A, enter the “Previous Index Values” for each Cost Category. For Rate Year July 1, 2026 rate adjustment application, the "Previous Index Value" shall be the annual average values of the indices for the year ending December 2024.

   For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Previous Index Value" shall be the indices values from the previous year's rate adjustment application.

2) In Column B, enter the "New Index Value" for each Cost Category. The “New Index Value” shall be the annual average values of the indices ending December of the prior year.
3) Any Allowed Carry Over percentage from prior period(s) may be entered into Column D.
4) Column E represents the total Rate Adjustment.
5) The percentage amount above the maximum 5% is calculated in Column F.
6) Column G is the Permitted Percentage Rate Adjustment.

10.5 EXTRAORDINARY RATE ADJUSTMENTS

Contractor or City may request an adjustment to maximum rates at reasonable times other than that allowed under Section 10.3 in the event of extraordinary changes in the cost of providing service under this Agreement. Such changes shall not include changes in the market value of Recyclables from the values assumed in Contractor’s Proposal, inaccurate estimates by the Contractor of its proposed cost of operations, or change in wage rates or employee benefits. Contractor may request an extraordinary adjustment based on changes in a direct per ton fee assessed at the Disposal Site by federal, state, or local regulatory agencies after the effective date.

Contractor shall provide substantial proof and justification to support the need for the adjustment. For each request for an adjustment to the maximum rates brought pursuant to this section, Contractor shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to City with support for assumptions made by Contractor in preparing the estimate. Contractor shall also submit a schedule showing how its total costs and total revenues have changed over the past three years for the services provided under this Agreement. The City may request from the Contractor such further information as it deems necessary to fully evaluate the request and make its determination. Upon request by the City, Contractor shall provide a report of its annual revenues and expenses for the services provided in the City, and City shall have the right to audit this information in connection with the City's review of Contractor's rate adjustment request. City may consider increases or decreases in the Contractor's total revenues and total cost of services when reviewing an extraordinary rate adjustment request.

The City may, in its sole judgment and absolute, unfettered discretion, make the final determination as to whether an adjustment to the maximum rates will be made, and, if an adjustment is permitted, the appropriate amount of the adjustment. Extraordinary rate adjustments shall only be effective after approval by City Council in compliance with California Constitution Article XIIID (Proposition 218) and the Proposition 218 Omnibus Implementation Act (Govt. Code Sections 53750 et. seq.) and may not be applied retroactively.

A rate adjustment request made in response to a new service requested by City will be determined in accordance with Section 2.10.

ARTICLE 11: INDEMNIFICATION, INSURANCE AND PERFORMANCE BOND

11.1 INDEMNIFICATION OF THE CITY

11.1.1 GENERAL

To the maximum extent permitted by law, and without regard to the limits of any insurance coverage, Contractor agrees to indemnify, defend with counsel appointed by the City, protect and hold harmless the City, its representatives, officers, agents and employees, volunteers, and assignees (collectively, "Indemnitees"), from and against any and all causes of action, claims, fines, assessments, costs (including but not limited to reasonable attorneys' and expert witness fees), losses, damages, penalties, forfeitures, demands, proceedings or suits, in law or in equity, of every kind and description, including, but not limited to, injury to and death of any Person and damage to property, injunctive relief, obligations, errors, omissions or liabilities, ("claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with (i) violations of the commerce clause of the U.S. Constitution, AB 939, the Comprehensive Environmental Response, Compensation and Liability Act, Title 42 U.S.C. §9601 et seq. ("CERCLA"), HSAA, RCRA, any other Hazardous Waste laws, other federal, state or local statutes or regulations, or municipal ordinances, which arise from, challenge any validity of, or relate to the award of, this Agreement; (ii) the negligent performance of the work or services of Contractor, its agents, employees, subcontractors, or invitees, provided for in this Agreement; (iii) the negligent acts or omissions of Contractor hereunder, or arising from Contractor's negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, whether or not there is concurrent passive or active negligence, on the part of the City, its representatives, officers, agents or employees but excluding such claims or liabilities arising from the sole negligence or willful misconduct of the City, its representatives, officers, agents or employees, who are directly responsible to the City, (iv) actions or proceedings to attack, set aside, void, annul or seek monetary damages resulting from an approval by the City of this Agreement, including but not limited to any challenge brought by referendum or under Proposition 218 (Calif. Const. Art. XIIID) to challenge the City's entry into this Agreement or the setting of Solid Waste rates as set forth in this Agreement; and in connection therewith:

A. Contractor will defend any action or actions filed in connection with any of said claim or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

B. Contractor will promptly pay any judgment rendered against the City, its officers, agents, or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work or services of Contractor hereunder; and Contractor agrees to save and hold the City, its officers, agents and employees harmless therefrom;

C. In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work or services of Contractor hereunder, Contractor agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

Contractor's obligations hereunder shall survive the termination or expiration of this Agreement.

THE PROVISIONS OF THIS SECTION SHALL NOT TERMINATE OR EXPIRE, SHALL BE GIVEN THE BROADEST POSSIBLE INTERPRETATION AND SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

11.1.2 HAZARDOUS MATERIAL INDEMNIFICATION

A. Without regard to any insurance coverage or requirements, and without limiting the above general indemnification obligation in any way, Contractor specifically agrees to and shall, to the maximum extent permitted by law, defend (with counsel acceptable to City), reimburse, indemnify, and hold Indemnitees harmless from and against any and all claims, actions, liabilities, damages, demands, judgments, losses, costs, liens, expenses, suits, actions, attorneys' fees, consultant fees, penalties and any and all other losses, damages, fees and expenses of whatever kind or nature ("Claims") (including but not limited to response costs, investigative costs, assessment costs, monitoring costs, treatment costs, cleanup costs, removal costs, remediation costs, and similar costs, damages and expenses) that arise out of or are alleged to arise out of or in any way relate to any action, inaction or omission of Contractor that:

1. Results in any demand, claim, notice, order, or lawsuit, asserting that any Indemnitee is liable, responsible or in any way obligated to investigate, assess, monitor, study, test, treat, remove, remediate, or otherwise cleanup, any Hazardous Contaminant (as defined herein); or
2. Relates to material Collected, Transported, Recycled, Processed, treated or Disposed of by Contractor.

B. Contractor's obligations pursuant to this section shall apply, without limitation, to:

1. Any Claims brought pursuant to or based on the provisions of any Environmental Law;
2. Any Claims based on or arising out of or alleged to be arising out of the ownership, use, lease, sale, design, construction, maintenance, or operation of Contractor of any Facility;
3. Any Claims based on or arising out of or alleged to be arising out of the marketing, sale, distribution, storage, Transportation, Disposal, Processing, or use of any materials recovered by Contractor;
4. Any Claims based on or arising out of or alleged to be arising out of any breach of any express or implied warranty, representation or covenant arising out of or in connection with this Agreement.

C. The foregoing indemnity and defense obligations shall apply irrespective of the negligence or willful misconduct of Contractor or any Affiliate of Contractor.

D. For purposes of this section, the term "Hazardous Contaminant" shall mean any Hazardous Material any crude oil or refined or unrefined petroleum product or any fraction or derivative thereof; and any asbestos or asbestos-containing material. The term "Hazardous Contaminant" shall also include any and all amendments to any referenced statutory or regulatory provisions made before or after the date of execution of this Agreement.

THE PROVISIONS OF THIS SECTION SHALL NOT TERMINATE OR EXPIRE, SHALL BE GIVEN THE BROADEST POSSIBLE INTERPRETATION AND SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT

11.1.3 AB 939 INDEMNIFICATION AND GUARNATEE

Contractor unconditionally guarantees compliance with the requirements of AB 939 as amended from time to time. Contractor shall carry out its obligations under this Agreement so that the City will meet or exceed the Diversion requirements set forth in AB 939, and all amendments thereto more fully set forth below. City and Contractor shall reasonably assist each other to meet the City's AB 939 Diversion requirements. In carrying out the provisions of this Section, Contractor agrees to perform the following obligations at its cost and expense:

A. Defend, with counsel approved by City, indemnify and hold harmless the City against all fines and/or penalties imposed by the CalRecycle, if Contractor fails or refuses to provide information relating to its operations which is required under this Agreement and such failure or refusal prevents or delays City from submitting reports required by AB 939 in a timely manner;

B. Assist City in preparing for, and participating in, CalRecycle's biannual review of the City's source reduction and recycling element pursuant to Public Resources Code Section 41825;

C. Assist City in responding to inquiries from CalRecycle in applying for an extension under Public Resources Code Section 41820, if so directed by City; in conducting any hearing conducted by CalRecycle relating to AB 939; or in any other investigative or enforcement manner undertaken by any agency;

D. Defend, with counsel acceptable to City, and indemnify and hold harmless the City against any fines or penalties levied against it for violation of AB 939's Diversion requirements, provided that Contractor's obligation to indemnify City shall be subject to the limitations set forth in Public Resources Code Section 40059.1(c) as may be amended from time to time;

E. In cooperating with the City, should it seek to become its own enforcement agency, to the extent it may be permitted under state law.

11.1.4 CALRECYCLE INDEMNIFICATION

Contractor’s duty to defend and indemnify herein includes payment of all fines and/or penalties imposed by CalRecycle, subject to the restrictions set forth in Public Resources Code Section 40059.1, if the requirements of AB 939, AB 341, AB 1826, and/or SB 1383 and corresponding regulations are not met by the Contractor with respect to the Discarded Materials Collected under this Agreement, and such failure is: (i) due to the failure of Contractor to meet its obligations under this Agreement, or, (ii) due to Contractor delays in providing information that prevents Contractor or City from submitting reports required by AB 939, AB 341, AB 1826, and/or SB 1383 and corresponding regulations in a timely manner. The provisions of this Section shall survive the termination or expiration of this Agreement.

11.2 EVALUATION OF LIABILITY

The Contractor’s obligation to defend, hold harmless, and indemnify under Article 11 shall not be excused because of the Contractor’s inability to evaluate an Indemnitee’s liability or because the Contractor evaluates such liability and determines that the Indemnitee is not liable to the claimant. Within twenty (20) days of receiving written notice from the City of a claim for which the City is entitled to indemnity, the Contractor shall confirm to the City in writing that the Contractor will provide a defense to the claim and shall take appropriate actions to provide such defense.

11.3 SEPARATE COUNSEL

The City may elect to have and consult separate legal counsel from the Contractor at any time during the pendency of any claim at its sole discretion. The City shall be responsible for paying its separate counsel unless: (i) the City reasonably determines and notifies Contractor that separate counsel is required to represent the City during the resolution of any claim; or (ii) a court of competent jurisdiction rules that the Contractor has refused to satisfy its obligations under this Article 11. Notwithstanding the preceding sentence or the first sentence of Article 11.1, with respect to a particular claim, if the Contractor confirms to the City in writing Contractor's obligation to indemnify and defend the City, without reserving a right to later seek reimbursement from the City with respect to such claim, the City shall not object to the counsel representing it being the same counsel that represents Contractor in the defense of such claim and shall, if permitted by law, provide such written conflict-of-interest waiver as may be required for such joint representation. If the Contractor provides the aforementioned confirmation, but the City declines to consent to such joint representation, the City may retain its own counsel at its own expense, the City shall have no right of defense or reimbursement of defense costs with respect to such claim (but the City shall still be entitled to indemnity), the City shall reasonably cooperate with Contractor in the defense and settlement of such claim. If the Contractor does not provide the aforementioned confirmation, or if the Contractor provides such confirmation and the City is prohibited by law from providing such waiver, then the Contractor shall reimburse the City for the reasonable attorneys' fees and costs of the City's separate counsel with respect to such claim.

11.4 CONSIDERATION

It is specifically understood and agreed that the consideration inuring to the Contractor for the execution of this Agreement consists of the promises, payments, covenants, rights and responsibilities contained in this Agreement and the consideration to the City are the Solid Waste Services Contractor shall perform pursuant to this Agreement.

11.5 OBLIGATION

The execution of this Agreement by the Contractor shall obligate the Contractor to comply with the foregoing indemnification provisions; however, the collateral obligation of providing insurance must also be fully complied with as set forth in Article 11.8 below.

11.6 COLLECTION SERVICES SUBCONTRACTORS

Any Subcontractor(s), independent contractor(s) or any type of agent(s) performing or hired to perform any term or condition of this Agreement on behalf of the Contractor, or as may be allowed by this Agreement, shall comply with each term and condition of this Agreement, including each term and condition of Article 11.8 entitled "INSURANCE" or a more appropriate level of coverage as determined by the City. This applies to subcontractors performing Collection services for City facilities. Furthermore, the Contractor shall be responsible for the Subcontractor's acts, omissions and satisfactory performance of the terms and conditions of this Agreement. The Contractor shall require all Subcontractors performing Collection services under the terms of this Agreement to enter into an agreement containing the provisions set forth in this Article 11 in their entirety and Subcontractor shall fully indemnify the City in accordance with this Agreement.

11.7 SURVIVAL

Contractor's indemnity obligations shall survive the expiration or termination of this Agreement and continue until such obligations have been fully satisfied by the resolution of all claims for which indemnity obligations are owed to the City.

11.8 INSURANCE

Contractor shall procure and maintain during the entire Term the following types of insurance, and shall maintain the following minimum levels of coverage, which shall apply to any claims which may arise from or in connection with Contractor' s performance hereunder or the actions or inactions of any of Contractor' s officers, agents, representatives, employees, or subcontractors in connection with Contractor' s performance. The insurance requirements hereunder in no way limit Contractor' s various defense and indemnification obligations, or any other obligations as set forth herein.

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. The most recent editions of Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 00 01).
2. The most recent editions of Insurance Services Office form number CA 00 01 covering Automobile Liability, code 1 "any auto" and endorsement CA 00 25.
3. Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.

B. Minimum Limits of Insurance. Contractor shall maintain in force for the term of this Agreement limits no less than:

1. Comprehensive General Liability: Ten Million Dollars ($10,000, 000) limit aggregate and Ten Million Dollars ($10,000,000) limit per occurrence for bodily injury, Personal injury and property damage.
2. Automobile Liability: Five Million Dollars ($5,000,000) single limit per accident for bodily injury and property damage.
3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California or provide evidence of State approval to be self-insured. Employers Liability in the minimum amount of One Million ($1,000, 000).

C. Deductibles and Self -Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its officials, employees and agents; or Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages

   a) The Indemnitees shall be named as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor; Premises owned, leased or used by Contractor; or vehicles owned, leased, hued or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Indemnitees.

   b) Contractor's insurance coverage shall be primary insurance as respects the Indemnitees. Any insurance or self- insurance maintained by the Indemnitees shall be excess of Contractor' s insurance and shall not contribute with it.

   c) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Indemnitees.

   d) Coverage shall state that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer' s liability.

2. Workers' Compensation and Employers Liability Coverage: The insurer shall agree to waive all rights of subrogation against the Indemnitees for losses arising from work performed by Contractor for City.

3. All Coverages: Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice (ten (10) days written notice in the event of cancellation for non-payment) by certified mail, return receipt requested, has been given to City.

E. Acceptability of Insurers. The insurance policies required by this section shall be issued by an insurance company or companies authorized to do business in the State of California and with a rating in the most recent edition of Best' s Insurance Reports of size category VII or larger and a rating classification of A or better.

F. Verification of Coverage. Within thirty (30) days of the execution of this Agreement, or prior to the start of service under this Agreement, whichever comes first, Contractor shall furnish City certificates of each policy of insurance required hereunder, in form and substance satisfactory to City. Such certificates shall show the type and amount of coverage, effective dates and dates of expiration of policies and shall have all required endorsements. If City requests, copies of each policy, together with all endorsements, shall also be promptly delivered to City.

Renewal certificates will be furnished promptly upon renewal to City to demonstrate maintenance of the required coverage throughout the Term.

G. Required Endorsements.

1. Insurance policies shall contain an endorsement in substantially the following form:

   "Thirty (30) days prior written notice by certified mail, return receipt requested, shall be given to City in the event of cancellation (Ten (10) days written notice in the event of cancellation for non-payment), reduction in coverage, or non -renewal of this policy. Such notice shall be sent to:

   City Manager
   City of Diamond Bar
   21810 Copley Drive
   Diamond Bar, CA 91765

2. "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by City, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."

3. "Inclusion of City as an insured shall not affect City's rights as respects any claim, demand, suit or judgment brought or recovered against Contractor. Thus policy shall protect Contractor and City in the same manner as though a separate policy had been issued to each, but this shall not operate to increase Contractor's liability as set forth in the policy beyond the amount shown or to which Contractor would have been liable if only one party had been named as an insured."

H. Other Insurance Requirements

1. In the event any services are delegated to another company or subcontractor, Contractor shall require such Contractor or subcontractor to provide statutory workers' compensation insurance and employer's liability insurance for all of the Contractor or subcontractor's employees engaged in the work in accordance with this Section 11.8. The liability insurance required by this Section 11.8 shall cover all Contractor or subcontractors or the Contractor or subcontractor must furnish evidence of insurance provided by it meeting all of the requirements of this Section 11.8.

2. Contractor shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Contractor from any obligation under this Agreement. If any claim exceeding the amount of any deductibles or self-insured reserves is made by any third Person against Contractor or any Contractor or subcontractor on account of any occurrence related to this Agreement, Contractor shall promptly report the facts in writing to the insurance carrier and to City.

If Contractor fails to procure and maintain any insurance required by this Agreement, City may take out and maintain, at Contractor's expense, such insurance as it may deem proper and recover costs from the Contractor's Performance Bond and/or Letter of Credit provided under Sections 11.8 and 11.10.

ADDENDUM #1

I. **Cyber Liability**. Contractor will maintain cyber liability insurance with a combined single limit of not less than One Million ($1,000,000) per event. Contractor's cyber policy must include language related to Contractor data breach. Contractor shall verify by providing City Contract Manager a copy of the Declarations Page for the policy for City review prior to the Commencement Date.

The insurance required by this subsection includes:

1. Premises Operations;
2. Independent Contractor's Protective;
3. Automobile Liability that includes Owned, Non-Owned, and Hired Motor Vehicles;
4. Broad Form Property Damage, including Completed Operations.

J. Proof of insurance shall be mailed to the following address or any subsequent address as may be directed in writing by the City.

City Manager
City of Diamond Bar
21810 Copley Driver
Diamond Bar, CA 91765

K. **Modification of Insurance Requirements.** The insurance requirements provided in this Agreement may be modified or waived by the City, in writing, upon the request of the Contractor if the City determines such modification or waiver is fin the best interest of the City considering all relevant factors, including exposure to the City.

L. **Rights of Subrogation.** All required insurance policies shall preclude any underwriter's rights of recovery or subrogation against the City with the express intention of the Parties being that the required insurance coverage protects both Parties as the primary coverage for any and all losses covered by the above-described insurance. The Contractor shall ensure that any companies issuing insurance to cover the requirements contained in this Agreement agree that they shall have no recourse against the City for payment or assessments in any form on any policy of insurance. The clauses 'Other Insurance Provisions' and 'Insured Duties in the Event of an Occurrence, Claim or Suit' as it appears in any policy of insurance in which the City is named as an additional insured shall not apply to the City.

M. **Failure to Obtain Insurance.** The failure of the Contractor to obtain and maintain any required insurance shall not relieve Contractor of any liability under this Agreement (and the Contractor may be answerable to the City for damages or any other remedy on account of such breach) nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations of the Contractor concerning indemnification.

N. **No Limitation of Liability.** By requiring insurance herein, City does not represent that coverage and limits will necessarily be adequate to protect Contractor, and such coverage and limits shall not be deemed as a limitation on Contractor's liability under the indemnities granted to City in this contract.

11.9 FAITHFUL PERFORMANCE BOND

The Contractor shall, prior to the initial date of the term of this Agreement, execute and file with the Clerk of the Council a surety bond in the penal sum of One-Hundred Twenty-Five Thousand Dollars ($125,000), similar to the form provided in Exhibit 7 or otherwise in a form with language that is acceptable to the City, which secures the faithful performance of this Agreement, including, without limitation, payment of any penalty and the funding of any work to cure a breach of this Agreement, unless such requirement is waived by the City Manager. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bond shall be unconditional and remain in force during the entire term of the Agreement and shall be released only upon written release from City per Section 11.11

11.10 FAITHFUL PERFORMANCE LETTER OF CREDIT

A. In addition to a corporate surety bond as noted in Section 11.9 above, Contractor shall furnish an irrevocable letter of credit in the amount of One Hundred Twenty-five Thousand Dollars ($125,000), from a financial institution acceptable to the City and in a form acceptable to the City Attorney as security for the performance of this Agreement the "LOC"). The LOC shall be the sole responsibility of Contractor, shall be unconditional and remain in force during the entire Term of the Agreement and shall be released only upon written release from City per Section 11.11.

B. As an alternative to providing the performance bond and letter of credit required under 11.9 and 11.10, Contractor may provide a letter of credit in the amount of Two-Hundred Fifty Thousand Dollars ($250,000). The letter of credit shall be from a financial institution acceptable to the City in a form acceptable to the City Attorney as security for the performance of this Agreement. The LOC shall be the sole responsibility of Contractor, shall be unconditional and remain in force during the entire Term of the Agreement and shall be released only upon written release from City per Section 11.11.

C. As an alternative to providing the performance bond and letter of credit required under 11.9 and 11.10, Contractor may deposit funds, on terms satisfactory to City, in an interest- bearing account at an institution satisfactory to both City and Contractor. Contractor may replace any required amount of the performance bond requirement, or the LOC requirement with an equivalent deposit. The deposit shall be accessible to the City immediately without action required by Contractor. The deposit shall be accessible to the City immediately without penalty, unless the funds on deposit are increased in excess of the total Two-Hundred Fifty Thousand Dollars ($250,000) required under Sections 11.9 and 11.10A by the maximum amount of the total potential penalty. The funds on deposit shall be the sole responsibility of the Contractor, shall be unconditional and remain on deposit during the entire Term of the Agreement and shall be withdrawn to Contractor' s custody only upon written release from City per Section 11.11.

ADDENDUM #1

11.11 FORFEITURE OF PERFORMANCE BOND

In the event Contractor shall for any reason become unable to, or fail in any way to, perform as required by this Agreement, City may declare a portion or all of the performance bond forfeited to the City up to an amount which is necessary to recompense and make whole the City. Upon partial or full forfeiture of the performance bond, Contractor shall restore the performance bond to its face amount within thirty (30) days of the City's declaration. Failure to restore the performance bond to its full amount within thirty (30) days shall be a material breach of the Agreement.

11.12 FORFEITURE OF LETTER OF CREDIT

Thirty (30) days following City providing Contractor with written notice of its failure to pay City any amount owing under this Agreement, the LOC or deposit may be drawn upon by City for purposes including, but not limited to:

A. Payment of sums due under the terms of this Agreement which Contractor has failed to timely pay to City

B. Reimbursement of costs borne by City to correct violations of this Agreement not corrected by Contractor, including but not limited to the liquidated damages described in Section 13.7.

City may draw upon the entire LOC and convert it to a cash deposit, or draw upon the entire deposit, if Contractor fails to cause it to be extended or replaced with another satisfactory LOC or deposit no later than 60 days prior to its expiration during the term hereof. If City partially draws down LOC or deposit, Contractor must restore it to full amount within 30 days of City's draw. Failure to restore the LOC or deposit to its full amount within. thirty (30) days shall be a material breach of the Agreement.

11.13 PERFORMANC SECURITY BEYOND SERVICE TERM

Some Agreement requirements extend beyond the Term and other requirements, such as minimum Diversion rates per Section 5.2, will not be substantiated until after the final service date. Therefore, the Contractor shall not terminate the performance bond, letter of credit or deposit, and will renew them to ensure continuous availability to the City, until receiving a written release from the City or until the second am -mal anniversary of the end of the Term. Permission from the City to discontinue holding these performance securities does not relieve Contractor of payments to the City that may be due, or may become due.

ADDENDUM #1

ARTICLE 12: CITY'S RIGHT TO CONTRACT WITH THIRD PARTIES TO PERFORM FRANCHISE SERVICES

12.1 GENERAL

In the event that Contractor, for any reason whatsoever, fails, refuses or is unable to Collect, Recycle, Process, Transport, or Dispose of any or all Solid Waste which it is required by this Agreement, at the time and in the manner provided in this Agreement, for a period of more than two business days, excluding Saturday, Sunday and Designated Holidays, and if, as a result thereof, Solid Waste should accumulate in City to such an extent, in such a manner, or for such a time that such accumulation endangers or menaces the public health, safety or welfare, then City shall have the right, but not the obligation, upon twenty-four (24) hour prior written notice to Contractor during the period of such emergency as determined by City, (1) to perform, or cause to be performed, such services itself with its own or other personnel without liability to Contractor; and/or (2) to take possession of any or all of Contractor's land, equipment and other property used or useful in the Collection and Transportation of Solid Waste, and to use such property to Collect and Transport any Solid Waste generated within City which Contractor would otherwise be obligated to Collect, Transport and properly Dispose of or Process pursuant to this Agreement. Further, the City shall have access to the MRF and composting facilities used by the Contractor for the Processing, Recycling and Organics Diversion of Solid Waste produced or accumulated with the City. The right of the City to enter upon and use facilities and equipment as specified herein shall extend following the date of cancellation of this Agreement for a period of ninety (90) consecutive calendar days.

Notice of Contractor's failure, refusal or neglect to Collect, Transport and properly Dispose of or Process Solid Waste may be given orally by telephone to Contractor at its principal office and shall be effective immediately. Written confirmation of such oral notification shall be sent to Contractor within one business day, excluding Saturday, Sunday and Designated Holidays of the oral notification. Contractor further agrees that in such event:

A. It will take direction from City to effect the transfer of possession of equipment and property to City for City's use, or for use by any Person or entity designated by the City.

B. It will, if City so requests, keep in good repair and condition all of such equipment and property, provide all motor vehicles with fuel, oil and other service, and provide such other service as may be necessary to maintain said property in operational condition.

C. City may immediately engage all or any personnel necessary or useful for the Collection and Transportation of Solid Waste, including, if City so desires, employees previously or then employed by Contractor, Contractor further agrees, if City so requests, to furnish City the services of any or all management or office Personnel employed by Contractor whose services are necessary or useful for Solid Waste Collection, Transportation, Processing and Disposal operations and for the billing and Collection of fees for these services.

City agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

If the interruption or discontinuance in service is caused by any of the reasons listed in Section 11.5, City shall pay to Contractor the reasonable rental value of the equipment and facilities, possession of which is taken by City, for the period of City's possession, if any, which extends beyond the period of time for which Contractor has rendered bills in advance of service, for the class of service involved.

12.2 TEMPORARY POSSESION OF CONTRACTOR'S PROPERTY

If City suffers an interruption or discontinuance of service (including interruptions and discontinuance due to events described in Section 13.8), City may take possession of and use all of Contractor's property described above until other suitable arrangements can be made for the provision of Solid Waste Services which may include the grant of a Franchise to another waste hauling company.

12.3 BILLING AND COMPENSATION TO CITY DURING CITY'S POSSESSION

During such time that City is providing Solid Waste Services, as above provided, Contractor shall bill and Collect payment from all users of the above-mentioned services as described in Section 6.1 Contractor further agrees that, in such event, it shall reimburse City for any and all costs and expenses incurred by City in taking over possession of the above-mentioned equipment and property for Solid Waste service in such manner and to an extent as would otherwise be required of Contractor under the Terms of this Agreement. Such reimbursement shall be made from time to time after submission by City to Contractor of each statement listing such costs and expenses, but in no event later than five (5) Work Days from and after each such submission.

12.4 CITY'S RIGHT TO RELINQUISH POSSESSION

It is further mutually agreed that City may at any time at its discretion relinquish possession of any or all of the above-mentioned property to Contractor and thereupon demand that Contractor resume the Solid Waste Services as provided in this Agreement, whereupon Contractor shall be bound to resume the same.

12.5 CITY'S POSSESSION NOT A TAKING

Except as otherwise expressly provided in the previous paragraph, City's exercise of its rights under this Article, 1) does not constitute a taking of private property for which compensation must be paid, 2) will not create any liability on the part of City to Contractor, and 3) does not exempt Contractor from any of the indemnity and insurance provisions of this Agreement, which are meant to extend to circumstances arising under this Section provided that the Contractor is not required to indemnify the City against claims and damages arising from the active negligence of the City, its elected and appointed boards, commissions, officers, employees and agents in the operation of Collection vehicles during the time the City has taken possession of such vehicles.

12.6 DURATION OF CITY'S POSSESSION

City's right pursuant to this Article to retain temporary possession of Contractor's facilities and equipment, and to render Collection services, shall terminate when City determines that such services can be resumed by Contractor, or when City no longer reasonably requires such property or equipment. In any case, City has no obligation to maintain possession of Contractor's property or equipment and/or continue its use for any period of time and may at any time, in its sole discretion, relinquish possession to Contractor.

ARTICLE 13: DEFAULT AND REMEDIES

13.1 EVENTS OF DEFAULT

Contractor's breach of each and any provision of the Franchise or this Agreement may constitute a default hereunder to the extent Contractor's performance, services or obligations under this Agreement are materially and adversely impacted. Events of default by the Contractor include, but are not limited to, the following.

A. Fraud or Deceit or Misrepresentation. If the Contractor engages in, or attempts to practice, any fraud or deceit upon City or makes a misrepresentation regarding material information to City.

B. Insolvency or Bankruptcy. If Contractor becomes insolvent, unable, or unwilling to pay its debts, files a bankruptcy petition or takes steps to liquidate its assets.

C. Failure to Maintain Coverage. If Contractor fails to provide or maintain in full force and effect the Workers' Compensation, liability, performance bond, letter of credit, or indemnification coverage as required by this Agreement.

D. Violations of Regulation. If Contractor violates any orders or filings of any regulatory body having jurisdiction over Contractor relative to this Agreement, provided that Contractor may contest any such orders or filings by appropriate proceedings conducted in good faith, in which case no breach of the Franchise and this Agreement shall be deemed to have occurred until a final decision adverse to the Contractor is entered.

E. Failure to Perform. If Contractor ceases to provide all or a portion of the Collection, Processing or Recycling services, or any other Solid Waste Services as required under this Agreement for a period of seven (7) consecutive days or more, unless, and only to the extent, performance is excused pursuant to Section 13.8.

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F. Failure to Pay. If Contractor fails to make any payments required under this Agreement and/or refuses to provide City, within ten (10) days of the demand, with required information, reports, and/or records in a timely manner as provided for in the Agreement.

G. Failure to Cooperate with Audits. Failure to complete, perform or cooperate with any audit as described by this Agreement.

H. Failure to Submit Reports or Documentation. Failure to complete or to provide required reports or documents to City as required by this Agreement.

I. Acts or Omissions.

1. Any act or omission by Contractor relative to the services provided under this Agreement which violates the terms, conditions, or requirements of this Agreement, the California Integrated Waste Management Act of 1989, as it may be amended from time to time (AB 939), or any law, statute, ordinance, order, directive, rule, or regulation issued pursuant to AB 939 shall constitute a default by the Contractor. Any failure to correct or remedy any such violation within the time set in the written notice of the violation or, if Contractor cannot reasonably correct or remedy the breach within the time set forth in such notice, Contractor’s failure to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter shall constitute a default by Contractor.

2. Any situation in which Contractor or any of its officers, directors or employees are found guilty of any crime related to the performance of this Agreement, or of any crime related to anti-trust activities, illegal Transport or Disposal of hazardous or toxic materials, or bribery of public officials shall constitute a default by Contractor. The term “found guilty” shall be deemed to include any judicial determination that Contractor or any of Contractor’s officers, directors or employees is guilty as well as any admission of guilt by Contractor or any of Contractor’s officers, directors or employees including, but not limited to, the plea of “guilty”, “nolo contendere”, “no contest”, and “guilty to a lesser charge.”

J. False or Misleading Statements. Any representation or disclosure made to City by Contractor in connection with **or** as an inducement to entering into this Agreement, or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time such representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

K. Attachment. The seizure of, attachment of, or levy on, the operating equipment of Contractor, including, without limits, its equipment, maintenance or office facilities, or any part thereof.

L. Suspension or Termination of Service. Any termination or suspension of the transaction of business by Contractor, including, without limitation, due to labor unrest including strike, work stoppage or slowdown, sick- out, picketing, or other concerted job action lasting more than seven (7) consecutive days, unless, and only to the extent, performance is excused pursuant to Section 13.8, or Section 6.1.10.

M. Failure to Provide Assurance of Performance. If Contractor fails to provide reasonable assurances of performance as required under Section 13.10.

N. Commingling of Recyclables With Refuse/Landfilling of Recyclables. If Contractor negligently or willfully empties Containers of properly set out Recyclable Materials or Organics into a Refuse load, or Transports a load of Recyclable Materials or Organics to a Landfill or other location at which the material will not be Diverted from Landfill Disposal.

O. Failure to Comply with Requirements of SB 1383 Regulations. The Contractor fails to comply with requirements of the Agreement including public education, reporting, contamination monitoring, recordkeeping, or other obligations of this Agreement that delegate City's responsibility and/or authority under SB 1383 Regulations to Contractor.

P. Diversion Requirement. If Contractor does not reach Diversion requirement of ___% of all tonnage Collected by Contractor under this Agreement per Section 5.2 for two consecutive Rate Years.

Q. Failure to Provide and Maintain Performance Bond and/or Letter of Credit and/or Deposit. Contractor fails to restore the full balance of the Performance Bond and/ or Letter of Credit and/ or deposit required under Sections 11.9 and 11.10 to the full required value within 30 days of being depleted due to payment to City under Sections 11.11 or 11.12, or Contractor allows any of the securities at any time for any other reason to lapse or fall below required minimums for any period of time.

13.2 RIGHT TO TERMINATE UPON DEFAULT AND RIGHT TO SPECIFIC PERFORMANCE

The City may terminate this Agreement immediately upon written notice to the Contractor in the event the Contractor defaults under Article 13.1.Q entitled, "Failure to Provide and Maintain Performance Bonds and/or Letter of Credit and/or Deposit."

The Contractor shall be given ten (10) Business Days from written notification by the City to cure any default which, in the CITY's sole opinion, creates a potential public health and safety threat.

The Contractor shall be given ten (10) Business Days from written notification by the City to cure any default arising under subsections E, F, G, H, K, L, M, N, and Q in Article 13.1 provided, however, that the City shall not be obligated to provide Contractor with a notice and cure opportunity if the Contractor has committed the same or similar breach/default within a twenty-four (24) month period.

The Contractor shall be given thirty (30) calendar days from written notification by the City to cure any other default (which is not required to be cured within ten (10) Business Days); however, the City shall not be obligated to provide Contractor with a notice and cure opportunity if the Contractor has committed the same or similar breach/default within a twenty-four (24) month period. Failure to allege breach/default shall not constitute waiver by the City.

13.3 CITY'S REMEDIES IN THE EVENT OF DEFAULT

Upon the Contractor's default, the City shall be entitled to unilaterally terminate this Agreement or impose other such sanctions as it shall deem proper pursuant to the provisions in this Agreement or the City of Diamond Bar Municipal Code, including the following remedies.

A. Waiver of Default. The City may waive any event of default or may waive Contractor's requirement to cure a default event if the City determines that such waiver would be in the best interest of the City. The City's waiver of an event of default is not a waiver of future events of default that may have the same or similar conditions.

B. Suspension of the Contractor's Obligation. The City may suspend Contractor's performance of its obligations if the Contractor fails to cure default in the time frame specified in Article 13.2 until such time the Contractor can provide assurance of performance in accordance with the terms of this Agreement.

C. Liquidated Damages. The City may assess Liquidated Damages for the Contractor's failure to meet specific performance standards pursuant to Article 13.7B.

D. Termination. In the event that the Contractor should default and subject to the right of the Contractor to cure, in the performance of any provisions of this Agreement, and the default is not cured for any default within ten (10) calendar days if the default creates a potential public health and safety threat or arises under Article 13.1. E, F, G, H, K, L, M, Q and or otherwise thirty (30) calendar days after receipt of written notice of default from the City, then the City may, at their option, terminate this Agreement.

In the event the CITY decides to terminate this Agreement, the City shall serve twenty (20) calendar days written notice of its intention to terminate upon Contractor and will not be required by this Agreement to take any further action such as hold any hearing, bringing suite or taking any other action.

In the event the City exercises its right to terminate this Agreement, the City may, at its option, upon such termination, either directly undertake performance of the services or arrange with other Persons to perform the services with or without a written agreement. Contractor shall not be entitled to any further revenues from Collection operations authorized hereunder from and after the date of termination.

This right of termination is in addition to any other rights of the City upon a failure of the Contractor to perform its obligations under this Agreement.

E. Other Available Remedies. The City's election of one (1) or more of the remedies described herein shall not limit the City from any and all other remedies at law and in equity including injunctive relief and / or specific performance of any breach of this Agreement.

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13.4 CRIMINAL ACTIVITY

Should the Contractor or any of its officers, directors or employees be found guilty of felonious conduct related to the performance of this Contract, or of felonious conduct related to anti-trust activities, illegal Transport or Disposal of hazardous or toxic materials, or bribery of public officials, the City reserves the right to unilaterally terminate this Contract or impose other such sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it shall deem proper. Such action shall be taken after Contractor has been given notice and opportunity to present evidence in mitigation. The term “found guilty” shall be deemed to include any judicial determination that Contractor or any of Contractor’s officers, directors or employees is guilty and any admission of guilt by Contractor or any of Contractor’s officers, directors or employees including, but not limited to, the plea of “guilty”, “nolo contendere”, “no contest”, and “guilty to a lesser charge” entered as part of any plea bargain.

13.5 POSSESSION OF RECORDS UPON TERMINATION

In the event of termination for an event of default, the Contractor shall furnish the Contract Administrator with immediate access to all of its business records, including without limitation, proprietary Contractor computer systems, related to its Customers, Collection routes, and billing of accounts for Collection services in the City of Diamond Bar.

13.6 CITY’S REMEDIES CUMULATIVE; SPECIFIC PERFORMANCE

The City’s rights to terminate this Agreement under Article 13.3, and to take possession of the Contractor’s records under Article 13.5 are not exclusive, and the City’s termination of this Agreement and/or the imposition of Liquidated Damages shall not constitute an election of remedies. Instead, these rights shall be in addition to any and all other legal and equitable rights and remedies, including but not limited to termination, which the City may have.

13.7 LIQUIDATED DAMAGES

A. General. City finds, and Contractor agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by City as a result of a breach by Contractor of certain specific obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) that the services that are the subject of this Agreement might be available at substantially lower costs than alternative services and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for

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such specific breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

B. Service and Diversion Performance Standards; Liquidated Damages for Failure to Meet Standards. The parties further acknowledge that consistent, reliable Solid Waste Service is of utmost importance to City and that City has considered and relied on Contractor's representations as to its quality-of-service commitment in entering into this Agreement. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Contractor fails to achieve the performance standards, or fails to submit required documents in a timely manner, City and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which City will suffer. Therefore, without prejudice to City's right to treat such breaches as an event of default under this Article 13, the Parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to City that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Agreement was made.

Contractor
Initial Here ___________

City
Initial Here ___________

The Contractor agrees to pay (as Liquidated Damages and not as a penalty) the following amounts:

LIQUIDATED DAMAGES	
1. Collection Reliability	**Amount**
A. For each failure to commence service to anew Customer account within seven (7) days after order, which exceeds five (5) such failures annually.	$100.00 per occurrence.
B. For each failure, which exceeds ten (10) such failures annually, to Collect Solid Waste from any established Customer account on the scheduled Collection day and not make up the Collection within the time allotted per Section 4.6.1:	$100.00 per occurrence.
2. Collection Quality	
A. For each occurrence of failure to properly return empty Containers to avoid pedestrian or vehicular traffic impediments or to place Containers upright which exceeds ten (10) such occurrences annually.	$100.00 per occurrence

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LIQUIDATED DAMAGES	
B. For each occurrence of excessive noise or discourteous behavior which exceed ten (10) annually.	$250.00 per occurrence
C. For each occurrence of Collecting Solid Waste during unauthorized hours which exceeds five (5) such occurrences annually.	$250.00 per occurrence
D. For each failure to clean up Solid Waste spilled from Solid Waste Containers within ninety (90) minutes that exceeds ten (10) such failures annually.	$150.00 per occurrence
E. For each complaint that exceeds the maximum permitted number of complaints per month in Section 5.2.3.	$150.00 per occurrence
F. For each occurrence of failure to verify that Customer has obtained an encroachment permit from the City prior to Contractor placing a Container in the public right-of-way which exceeds ten (10) such occurrences annually.	$100.00 per occurrence
G. For each occurrence of failure to return a Container to Container storage locations, as described in Section 4. 1. 12 " Scout Service' of this Agreement, withal two (2) hours of set out which exceeds ten (10) such occurrences annually.	$100.00 per occurrence

3. Collection Responsiveness	
A. For each failure to initially respond to a Customer complaint within one (1) business day, and for each additional day on which the complaint is not addressed, which exceed five (5) annually.	$150 per occurrence
B. For each failure to process Customer complaints as required by Article 5, which exceed five (5) annually.	$150 per occurrence
C. For each failure to remove graffiti from Containers, or to replace with Containers bearing no graffiti, within three (3) business days of request from City or Customer.	$50 per occurrence
D. For each failure to repair or replace a damaged or missing Container within two (2) business days of request from City or Customer.	$50 per occurrence
E. For each failure to process a claim for damages within thirty (30) days from the date submitted to Contractor.	$100 per occurrence
F. For each additional thirty (30) day increment of time in which Contractor has failed to resolve a claim for damages within thirty (30) days from the claim date.	$100 per occurrence
G. For each violation under Section 5. 2.3 (one month of excessive complaints or one quarter of excessive delays in answering customer service calls).	$500 per occurrence
H. For each occurrence of inaccurate information being provided to Customers by Contractor' s customer service department which exceeds five (5) such occurrences annually.	$100 per occurrence
I. For every Organics Waste Cart Collected as Refuse without issuing a Warning Notice per Section 4.2.7 which exceeds ten (10) such occurrences annually	$200 per Occurrence
J. For each failure to issue a Warning Notice to a Customer for materials not collected due to improper set out which exceeds ten (10) such occurrences annually:	$200 per Occurrence

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4. Diversion Efforts	Amount
A. For each calendar year, beginning calendar year 2010 through calendar year 2017, in which Contractor fails to provide support to the City within thirty 30) days of year-end, documenting that it Diverted at least 25% of the Solid Waste Contractor Collected under this Agreement.	$25 for each ton below tonnage level, necessary to meet 25 % Diversion goal.
B. For each calendar year, beginning January 1, 2018, in which Contractor fails to provide documentation to the City within thirty (30) days of year- end, supporting that it Diverted at least 25% of the Solid Waste Contractor Collected under this Agreement, excluding Construction and Demolition Debris loads,	$25 for each ton below tonnage level necessary to meet 25 % Diversion goal.
C. For each calendar year, beginning calendar year 2018, in which Contractor fails to provide documentation to the City within thirty (30) days of yearend, supporting that it Diverted at least 75 %, or the State -mandated Construction and Demolition Diversion percentage, whichever is greater, of all Construction and Demolition Debris loads it Collects under this Agreement.	$25 for each ton below tonnage level necessary to meet 75%, or State-mandated Construction and Demolition Diversion goal, whichever is greater.
5. Timeliness of Submissions to City	**Amount**
A. Any report shall be considered late until such time as a correct and complete report is received by City. For each calendar day a report is late, the daily liquidated damage amount shall be:	
i) Monthly Reports:	$25 per day
ii) Quarterly Reports:	$50 per day
iii) Annual Reports:	$100 per day
6. Accuracy of Billing	**Amount**
A. Each Customer invoice that is not prepared in accordance with the City's approved rate schedule, in excess of ten (10) annually:	$25 per occurrence
7. Customer Education and Outreach	Amount

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A. For each day that the Public Education and Outreach requirements contained in Section 5.3 are not adhered to after written notice provided to Contractor and Contractor does not cure within 30 days:	
8. Cooperation with Service Provider Transition	
A. For each day routing information requested by City in accordance with Section 12.9 is received after City-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service:	$1000.00 per day
B. For each day delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues, as described in Section 12.9:	$1000.00 per day
C. For delay in not meeting the requirements contained in Section 12.9 in a timely manner, in addition to the daily liquidated damages for breach under 8(a) and 8(b) above, liquidated damages of:	$35,000.00
9. Diversion Efforts	
A. For each Rate Year (July 1, 2022 through June 30, 2023 considered the first Rate Year) in which Contractor fails to provide support to the City within forty-five (45) days of year-end, documenting that it Diverted at least ___% of the Solid Waste Contractor Collected under this Agreement per Section 4.6.1:	
10. General Contract Adherence	
A. For each day that Contractor fails to provide services required under the Agreement, or comply with terms of the Agreement, five (5) business days after receipt of written notification from City that such services are not being provided or terms are not being met:	$300.00 per day

The City may determine the occurrence of events giving rise to liquidated damages through the observation by its own employees or representatives, investigation of Customer complaints or self-reporting by the Contractor.

Prior to assessing liquidated damages, City shall give Contractor notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. Contractor may review (and make copies at its own expense) all information in the possession of City relating to incident(s)/non-performance. Contractor may, within ten (10) days after receiving the notice, request a meeting with City. Contractor may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. City will provide Contractor with a written explanation of its determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of City shall be final.

C. **Amount.** City may assess liquidated damages for each calendar day or event, as appropriate, that Contractor is determined to be liable in accordance with this Agreement.

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D. Timing of Payment. Contractor shall pay any liquidated damages assessed by City within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, City may proceed against the performance bond required by the Agreement or find Contractor in default and terminate this Agreement pursuant to Section 13.1, or both.

13.8 SUSPENSION OF PERFORMANCE

13.8.1 FORCE MAJEURE

The Parties shall be excused from performing their respective obligations hereunder and from any obligation to pay Liquidated Damages to the extent and for the period of time they are prevented from so performing by reason of floods, earthquakes, pandemics, other acts of nature, war, civil insurrection, riots, acts of any government (including judicial action), and other similar catastrophic events which are beyond the control of and not the fault of the Party claiming excuse from performance hereunder.

The interruption or discontinuance of Contractor' s services caused by one (1) or more of the events excused shall not constitute a default by Contractor under this Agreement provided that other services delivered to properties in Diamond Bar (such as and without limitation electricity, gas, water, or Solid Waste Services) have been similarly disrupted as a direct result of the catastrophic event. Notwithstanding the foregoing, however, if Contractor is excused from performing its obligations hereunder for any of the causes listed in this section, City may contract with another provider to perform all or part of this Agreement until such time Contractor is able to perform. If Contractor is unable to renew its performance of this Agreement for a period of thirty (30) days or more, where the City is not significantly impacted by the catastrophic event, City shall nevertheless have the right, in its sole discretion, to terminate flus Agreement by giving ten (10) days' notice.

13.8.2 LABOR UNREST

Labor unrest, including work stoppage or slowdown or sick-out conducted by Contractor' s employees or directed at Contractor is excused from performance only to the extent that the following requirements are met:

- Contractor provides a contingency plan to the City prior to the execution of this Agreement demonstrating how services will be provided. Plan is subject to City Manager approval and Contractor shall amend plan until it meets City requirements, including reasonably demonstrating how City' s basic Collection and sanitary needs will be met to the City's satisfaction.
- Contractor shall meet all requirements of this plan; if Contractor does not meet all requirements, City may choose to revoke this excuse from performance offered under this Agreement and may choose to use enforcement provisions under this Agreement, including Sections 13.1, 13.2 and 13.3.

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The party claiming excuse from performance shall, within two (2) days after such party has notice of such cause, give the other party notice of the facts constituting such cause and asserting its claim to excuse under this section.

The interruption or discontinuance of Contractor' s services caused by labor-related events excused under this Section 13.8.2 shall not constitute a default by Contractor under this Agreement. Notwithstanding the foregoing, however, if Contractor is excused from performing its obligations hereunder for any of the causes listed in this section for a period of thirty (30) days or more, City shall nevertheless have the right, at its sole discretion, to terminate this Agreement by giving ten (10) days' notice, and may contract with another party for Solid Waste Services.

13.9 DISPUTE RESOLUTION

Except as may otherwise be set forth expressly herein, all disputes arising under this Agreement shall be resolved as set forth in this section.

13.9.1 NEGOTIATION AND MEDIATION

The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiations between the Parties' authorized representatives. The disputing Party shall give the other Parties written notice of any dispute. Within five (5) days after delivery of such notice, the authorized representatives shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to exchange information and to attempt to resolve the dispute. If the matter has not been resolved within ten (10) days of the first meeting, any Party may initiate a mediation of the dispute. The mediation shall be facilitated by a mediator that is acceptable to all Parties and shall conclude within thirty (30) days of its commencement, unless the Parties agree to extend the mediation process beyond such deadline. Upon agreeing on a mediator, the Parties shall enter into a written agreement for the mediation services with each Party paying a pro rata share of the mediator' s fee, if any. The mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association; provided, however, that no consequential damages shall be awarded in any such proceeding and each Party shall bear its own legal fees and expenses.

13.9.2 CONFIDENTIALITY

All negotiations and any mediation conducted pursuant to this section shall be confidential and shall be treated as compromise and settlement negotiations, to which Section 1152 of the California Evidence Code shall apply, which Section is incorporated in this Agreement by reference.

13.9.3 INJUNCTIVE RELIEF

Notwithstanding the foregoing provisions, a Party may seek a preliminary injunction or other provisional judicial remedy if in its judgment such action is necessary to avoid irreparable damage or to preserve the status quo.

13.9.4 CONTINUING OBLIGATION

Each Party shall continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement.

13.9.5 FAILURE OF MEDIATION

If after good faith efforts to mediate a dispute under the terms of this Agreement the parties cannot agree to a resolution of the dispute, any party may pursue whatever legal. remedies may be available to it at law or in equity before a court of competent jurisdiction and with venue in Los Angeles County.

13.10 ASSURANCE OF PERFORMANCE

City may, at its option and in addition to all other remedies it may have, demand from Contractor reasonable assurances of timely and proper performance of this Agreement, in such form and substance as City may require. If Contractor fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by City, such failure or refusal shall be an event of default.

ARTICLE 14: OTHER AGREEMENTS OF THE PARTIES

14.1 RELATIONSHIP OF PARTIES

The parties intend that Contractor shall perform the services required by this Agreement as an independent Contractor engaged by City and not as an officer or employee of City nor as a partner of or joint venture with City. No employee or agent or Contractor shall be or shall be deemed to be an employee or agent of City. Except as expressly provided herein, Contractor shall have the exclusive control over the manner and means of conducting the Solid Waste Services performed under this Agreement, and all Persons performing such services. Contractor shall be solely responsible for the acts and omissions of its officers, employees, Companies, Subcontractors and agents. Neither Contractor nor its officers, employees, Companies, Subcontractors and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to City employees by virtue of their employment with City.

14.2 COMPLIANCE WITH LAW

In providing the services required under this Agreement, Contractor shall at all times, at its sole cost, comply with all Applicable Laws.

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14.3 GOVERNING LAW

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

14.4 JURISDICTION

Except for those matters where Federal Courts have exclusive jurisdiction, any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the Parties agree that this Agreement is made in and will be performed in Los Angeles County.

14.5 ASSIGNMENT

Except as may be provided for in Article 12, neither party shall assign its rights, nor delegate, subcontract or otherwise transfer its obligations under this Agreement to any other Person without the prior written consent of the other party. Any such assignment made without the consent of the other party shall be void and the attempted assignment shall constitute a material breach of this Agreement.

For purposes of this section the term "assignment" shall be given the broadest possible interpretation, and shall include, but not be limited to (i) a sale, exchange or other transfer of substantially all of Contractor' s assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of outstanding common stock of Contractor to a third party provided said sale, exchange or transfer may result in a change of control of Contractor; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re -issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of ownership or control of Contractor; (iv) any assignment by operation of law, including those resulting from mergers or acquisitions by or of Contractor of any of its Affiliates, insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Contractor' s property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of ownership, or change of control of Contractor.

Contractor acknowledges that this Agreement involved rendering a vital service to City's residents and businesses, and that City has selected Contractor to perform the services specified herein based on (1) Contractor' s experience, skill and reputation for conducting its Solid Waste Services in a safe, effective and responsible fashion, at all times in keeping with applicable Environmental Laws, regulations and best Solid Waste management practices, and (2) Contractor' s financial resources to maintain the required equipment and to support its indemnity obligations to City under this Agreement. City has relied on each of these factors, among others, in choosing Contractor to perform the services to be rendered by Contractor under this Agreement.

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If Contractor requests City's consideration of and consent to an assignment, City may deny or approve such request in its complete discretion. No request by Contractor for consent to an assignment need be considered by City unless and until Contractor has met the following requirements:

A. Contractor shall pay to City in advance of consideration of any assignment a flat fee of $250,000 for expenses for City staff costs, consultant and attorney's fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment;

B. Contractor shall pay the City a transfer fee equal to 1% of the gross revenues times the number of years (pro-rated for partial years) remaining under this Agreement (based on actual rate revenues for the prior 12-months), plus the City’s costs of processing and evaluating the assignment request;

C. Contractor shall furnish City with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years;

D. A proforma financial statement (income statement and balance sheet) for the proposed assignee with the projected results of operations assuming that the assignment is completed. Such proforma financial statement shall reflect any debt to be incurred by the assignee as part of the acquisition of Contractor’s operations; and,

E. Contractor shall furnish City with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of Solid Waste management experience on a scale equal to or exceeding the sale of operations conducted by Contractor under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not suffered any significant citations or other censure from any federal, state or local agency having jurisdiction over its Solid Waste management operations due to any significant failure to comply with state, federal or local Environmental Laws and that the assignee has provided City with a complete list of such citations and censures; (iii) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed assignee conducts its Solid Waste management practices in accordance with sound Solid Waste management practices in full compliance with all federal, state and local laws regulating the Collection and Disposal of Solid Waste including Hazardous Material; and, (v) of any other information required by City to ensure the proposed assignee can fulfill the Terms of this Agreement in a timely, safe and effective manner.

Under no circumstances shall City be obliged to consider any proposed assignment by City if Contractor is in default at any time during the period of consideration.

14.6 AFFILIATED COMPANIES

Contractor's accounting records shall be maintained on a basis showing the results of Contractor's operations under this Agreement separately from operations in other locations, as if Contractor were an independent entity providing service only to City. The costs and revenues associated with providing service to City shall not be combined, consolidated or in any other way incorporated with those of other operations conducted by Contractor in other locations, or with those of an Affiliate. If Contractor enters into any financial transactions with a Related Party Entity for the provision of labor, equipment, supplies, services, capital, etc., related to the furnishing of service under this Agreement, that relationship shall be disclosed to City, and in the financial reports submitted to City. In such event, City's rights to inspect records, and obtain financial data shall extend to such Related Party Entity or entities.

14.7 CONTRACTING OR SUBCONTRACTING

Contractor shall not engage any contractors or subcontractors for the Collection of Solid Waste.

14.8 BINDING ON ASSIGNS

The provisions of this Agreement shall inure to the benefit to and be binding on the permitted assigns (if any) of the Parties.

14.9 TRANSITION TO NEXT CONTRACTOR

Prior to, and at, the end of the Term or in the event this Agreement is terminated for cause prior to the end of the Term, Contractor shall cooperate fully with City and any subsequent Solid Waste enterprise it designates to assure a smooth transition of Solid Waste Services. Contractor's cooperation shall include, but not be limited to, providing route lists, Billing information and other operating records needed to service all Premises covered by this Agreement.

In recognition of the difficulty inherent in Customer’s difficulty or inability to store two sets of Containers, Contractor shall remove its Containers in coordination with the distribution of Containers by the incoming service provider. Contractor shall cooperate with the City and incoming service provider in agreeing to the timing of Container removal; if parties cannot agree on a phase-out schedule and Contractor does not remove Containers in a timely manner that requires Customers to store two Containers, City, incoming service provider, or another entity may remove Contractor’s Containers and seek cost reimbursement from Contractor through its performance bond, letter of credit or other means. The failure to cooperate with City following termination shall be conclusively presumed to be grounds for specific performance of this covenant and/or other equitable relief necessary to enforce this covenant.

Contractor shall, to the maximum extent feasible, provide a new service provider with all keys, security codes and remote controls used to access garages and Bin enclosures. Contractor shall be responsible for coordinating transfer immediately after Contractor’s final pickups, so as not to disrupt service. Contractor shall provide City with detailed route sheets containing service names and addresses, billing names and addresses, monthly rate, and service levels (quantity, material type, and size of Containers and pickup days) at least 90 days prior to the transition date, and provide an updated list two weeks before the transition and a final list of changes the day before the transition. Contractor shall provide means of access to the new service provider at least one full calendar day (excluding Saturday, Sunday, and Designated Holidays) prior to the first day of Collection by another

ADDENDUM #1

party, and always within sufficient time so as not to impede in any way the new service provider from easily servicing all Containers.

14.10 PARTIES IN INTERSET

Nothing in this Agreement, whether express or implied, is intended to confer any rights on any Persons other than the parties to it and their representatives, successors and permitted assigns.

14.11 WAIVER

The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach of violation of the same or any other provision. The subsequent acceptance by either party of any moneys which become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the other party of any provision of this Agreement.

14.12 CONTRACTOR'S INVESTIGATION

Contractor has made an independent investigation (satisfactory to Contractor) of the conditions and circumstances surrounding the Agreement and the work to be performed by it.

14.13 NOTICE

All notices, demands, requests, proposals, approvals, consents, and other communications which this Agreement requires, authorizes, or contemplates shall be in writing and shall either be personally delivered to a representative of the parties at the address below or be deposited in the United States mail, first class postage prepaid, addressed as follows:

If to the City:

City Manager
City of Diamond Bar
21810 Copley Drive
Diamond Bar, CA 92765

If to the Contractor:

[NAME]
[TITLE]
[CONTRACTOR NAME]
[ADDRESS]
[CITY, ST, ZIP]

The address to which communications may be delivered may be changed from time to time by a written notice given in accordance with this section.

Notice shall be deemed given on the day it is personally delivered or, if mailed, three days from the date it is deposited in the mail.

This notice shall also be sent by e- mail to the City Manager.

14.14 REPRESENTATIVE OF THE PARTIES

All actions to be taken by City shall be taken by the City Council except as expressly provided herein. The City Council may delegate authority to the City Manager, and/ or to other City employees and may permit such employees, in turn, to delegate some or all of such authority to subordinate employees. Contractor may rely upon actions taken by such delegates if they are within the scope of the authority so delegated to them.

Contractor shall, by the effective date, designate in writing a responsible officer who shall serve as the representative of Contractor in all matters related to the Agreement and shall inform City in writing of such designation end of any limitations upon his or her authority to bind Contractor. City may rely upon action taken by such designated representative as actions of Contractor unless they are outside the scope of the authority expressly delegated to him/ her by Contractor as communicated to City.

14.15 CITY FREE TO NEGOTIATE WITH THIRD PARTIES

City may investigate all options for the Collection, Transporting, Recycling, Processing and Disposal of Solid Waste for periods during which this Agreement has expired or been terminated. Without limiting the generality of the foregoing, City may solicit proposals from Contractor and from third parties for the provision of Solid Waste Services which are the subject of this Agreement, including without limitation Collection and Processing of Recyclable and Organic Materials, Disposal, and any combination thereof, and may negotiate and execute agreements for such services which will take effect upon the expiration or earlier termination of this Agreement pursuant to Section 13.2 or otherwise.

14.16 COMPLIANCE WITH MUNICIPAL CODE

Contractor shall comply with those provisions of the City of Diamond Bar Municipal Code which are applicable, and with any and all amendments to such applicable provisions during the term of this Agreement.

14.17 PRIVACY

Contractor shall strictly observe and protect the rights of privacy of Customers. Information identifying individual Customers or the composition or contents of a Customer' s waste stream shall not be revealed to any Person, governmental unit, private agency, or company, unless upon the authority of a court of law, by statute, or upon valid authorization of the Customer. This provision shall not be construed to preclude Contractor from preparing, participating in, or assisting in the preparation of waste characterization studies or waste stream analyses which may be required by AB 939. This provision shall not apply to reports or records provided to City pursuant to this Agreement.

14.18 PROPRIETARY INFORMATION, PUBLIC RECORDS

The City acknowledges that a number of the records and reports of Contractor are proprietary and confidential. Contractor is obligated to permit City inspection of its records on demand and to provide copies to City where requested. City will endeavor to maintain the confidentiality of all proprietary information provided by Contractor. Notwithstanding the foregoing, any documents provided by Contractor to City that are public records may be disclosed pursuant to the California Public Records Act.

ARTICLE 15: MISCELLANEOUS AGREEMENTS

15.1 ENTIRE AGREEMENT

This Agreement contains the entire integrated agreement and understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, promises, proposals (including Contractor's Proposal), and agreements between the Parties, whether written or oral. The. Parties acknowledge this document has been executed with the consent and upon the advice of counsel. Each of the Parties acknowledges that no Party or agent or attorney of any other party has made any promise, representation, or warranty, express or implied, not contained in this Agreement, to induce the other Party to execute this instrument.

15.2 SECTION HEADINGS

The article headings and section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

15.3 REFERENCES TO LAWS AND OTHER AGREEMENTS

All references in this Agreement to laws shall be understood to include such laws as they may be subsequently amended or recodified, unless otherwise specifically provided.

ADDENDUM #1

15.4 INTERPRETATION

This Agreement, including the Exhibits attached hereto, shall be interpreted and construed reasonably and neither for nor against either Party, regardless of the degree to which either Party participated in its drafting.

15.5 AGREEMENT

This Agreement may not be modified or amended in any respect except by a writing sighed by the Parties.

15.6 SEVERABILITY

Invalidation of any of the provisions contained in this Agreement, or of the application thereof to any person, by judgment or court order, shall in no way affect any of the other provisions hereof or the application thereof to any other person or circumstance, and that same shall remain in full force and effect, unless enforcement of this Agreement, as so invalidated, would be unreasonable or inequitable under all the circumstances or would frustrate the purposes of this Agreement and/ or the rights and obligations of the parties hereto.

15.7 EXHIBITS

Each of Exhibits identified as Exhibit "1” through "8” is attached hereto and incorporated herein and made a part hereof by this reference.

15.8 ATTORNYS’ FEES

If either Party to this Agreement is required to initiate or defend or made a party to any action or proceeding between the Parties in any way connected with this Agreement, the prevailing Party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to recover its reasonable attorney' s fees and costs from the opposing Party. Attorneys' fees shall include attorney' s fees on any appeal. A Party entitled to attorney' s fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery, expert fees, and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action.

IN WITNESS WHEREOF, City and Contractor have executed this Agreement as of the day and year first above written.

CITY OF DIAMOND BAR

(“City”

ADDENDUM #1

DATED: ____________________	DATED: ____________________
CITY OF DIAMOND BAR	CONTRACTOR
By: ____________________	By: ____________________
____________________	____________________
City Manager	____________________
	TITLE
Approved as to form:	
By: ____________________	____________________
____________________	____________________
City Attorney	NAME OF COMPANY
	____________________
ATTEST:	ADDRESS
____________________	____________________
____________________	TELEPHONE
City Clerk	

ADDENDUM #1

EXHIBIT 1: INITIAL MAXIMUM SERVICE RATES

EXHIBIT 2: EXAMPLE OF RATE ADJUSTMENT PROCEDURE

EXHIBIT 2A – RATE ADJUSTMENT PROCEDURE – SFD CARTS

EXHIBIT 2B – RATE ADJUSTMENT PROCEDURE – BINS

EXHIBIT 2C – RATE ADJUSTMENT PROCEDURE – ROLL-OFF BOXES

EXHIBIT 2D – RATE ADJUSTMENT PROCEDURE – OTHER

EXHIBIT 2E – EXAMPLE OF INDEX CALCULATION

EXHIBIT 3: LIST OF DESIGNATED FACILITIES

EXHIBIT 4: LIST OF DIVERSION PRORAM MATERIALS

EXHIBIT 5: AB 341, AB 1826, AND SB 1383 COMPLIANCE PLAN

EXHIBIT 6: CORPORATE GUARANTY

EXHIBIT 7: FAITHFUL PERFORMANCE BOND

EXHIBIT 8: CONTRACTOR’S PROPOSAL

Exhibit 2A
Rate Adjustment Procedure - SFD Carts
Page 1 of 2

STEP ONE: Calculate Collection Component Percentage Change							
		A	**B**	**C**	**D**	**E**	**F**
Row	**Cost Category**	**Previous Index Value [1]**	**New Index Value [2]**	**Percent Change in Index (COL B - COL A) / COL A**	**Component Weighting [3]**	**Weighted Percentage Change (COL C * COL D)**	**Index Source**
1	Labor	26.250	27.040	3.0095%	25.000%	0.75%	Note 10
2	Fuel	230.298	299.751	30.1577%	5.000%	1.51%	
3	Equipment	153.450	156.743	2.1460%	20.000%	0.43%	
4	Other (Except Material Handling)	288.798	305.458	5.7687%	27.000%	1.56%	
5	**Total Collection Component**				77.000%	4.247%	
STEP TWO: Calculate Material Handling Component Index							
		G	**H**	**I**	**J**	**K**	**L**
Row	**Facilities [4]**	**Prior Period Tonnage [5]**	**Prior Period Gate Fees [6]**	**Prior Period Material Handling Cost (COL G * COL H)**	**12 Month Period Ending December Tonnage [7]**	**Gate Fees Effective December [8]**	**Estimated Material Handling Cost (COL J * COL K)**
6	Refuse [FACILTY NAME]	14,643.4	$75.00	1,098,255	14,643.4	$78.75	1,153,168
7	Recycling [FACILITY NAME]	3,640.1	$90.00	327,609	3,640.1	$94.50	343,989
8	Organics [FACILITY NAME]	7,040.9	$90.00	633,681	7,040.9	$94.50	665,365
9	Unused			-	-		-
10	**Totals**	**25,324**		**$2,059,545**	**25,324**		**$2,162,522**
11		**Prior Period Index Value (G11 / I11) >>**		**$81.3265**	**New Index Value (J11 / L11) >>**		**$85.3928**
STEP THREE: Calculate Percentage Change in Weighted Material Handling Index							
		M	**N**	**O**	**P**	**Q**	
Row	**Cost Category**	**Previous Index Value (COL I, ROW 11)**	**New Index Value (COL K, ROW 11)**	**Percent Change in Index (COL N - COL M) / COL M**	**Component Weighting [3]**	**Weighted Percentage Change**	
12	Material Handling Component	81.3265	85.3928	5.0000%	23.00%	1.15%	
STEP FOUR: Calculate the Permitted Percentage Rate Change							
		R	**S**	**T**	**U**	**V**	
Row	**Cost Component**	**This Period Percentage Rate Adjustment**	**Allowed Carry Over Prior Period(s)**	**Total Allowed Percentage Rate Adjustment (COL R + COL S)**	**Maximum 5% any Rate Year (Next Period Carryover)**	**Total Permitted Percentage Rate Adjustment (COL T - COL U)**	
13	Collection Component	4.2470%					
14	Material Handling Component	1.1500%					
15	**Total**	**5.3970%**	**0.0000%**	**5.3970%**	**0.3970%**	**5.0000%**	
STEP Five: Calculate the Cost Components Weighting for Future Rate Adjustment Calculation							
		W	**X**	**T**	**Z**	**AA**	
Row	**Cost Component**	**Component Weighting This Period**	**Percentage Change as Applied to Rate Adjustment**	**Increase in Cost Components (W * X)**	**Cost Component Increased (W + T)**	**Cost Components Reweighted to Equal 100% for Future Adjustments**	
16	Labor	25.0000%	0.7524%	0.1881%	25.188%	24.9302%	
17	Fuel	5.0000%	1.5079%	0.0754%	5.075%	5.0234%	
18	Equipment	20.0000%	0.4292%	0.0858%	20.086%	19.8802%	
19	Other (Except Material Handling)	27.0000%	1.5576%	0.4205%	27.421%	27.1398%	
20	Material Handling Component	23.0000%	1.1500%	0.2645%	23.265%	23.0263%	
21	**Total**	**100.00%**	**5.40%**	**1.03%**	**101.03%**	**100.00%**	

Exhibit 2A

Rate Adjustment Procedure - SFD Carts

(1) For Rate Year July 1, 2026 rate adjustment application, the "Previous Index Value" shall be the annual average value of the indices for the year ending December 2025.

For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Previous Index Value" shall be the indices values from the previous year's rate adjustment application.

(2) The "New Index Value" shall be the annual average value of the indices ending December of the prior year.

(3) For Rate Year July 1, 2026 rate adjustment application, "Component Weighting" shall be based on Contractor's
For Subsequent rate adjustment applications beginning with Rate Year July 1, 2027, "Component Weightings" shall be as calculated in COL AA, ROWS 16-20.

(4) Post collection facilities planned for use under this agreement.

(5) For Rate Year July 1, 2026 rate adjustment application, the "Prior Period Tonnage" values will be set based on Contractor's Proposal.
For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Prior Period Tonnage" values shall be the values from previous year's rate application.

(6) For Rate Year July 1, 2026 rate adjustment application, the "Prior Period Gate Fee" values will be set based on Contractor's Proposal.
For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Prior Period Gate Fee" values shall be the values from previous year's rate application.

(7) The Tonnage for each facility shall be the total tons delivered to the facility for the previous 12 month period ending December 31st.

(8) The "Gate Fees" values shall be the most current per ton rate charged at each facility.
Note: For Contractor owned facilities, Gate fees will be negotiated based on an index for disposal and transportation

(9) Rate increases are limited to no more than 5% per year with a carryover allowance for any amount over 5%.

(10) References to Indices are as follows:
Labor: Driver rates based on labor agreement.
Fuel: WPU05522101PPI Commodity data for Fuels and related products and power-Commercial natural gas, not seasonally adjusted.
Equipment: PCU33612-33612-PPI industry data for Heavy duty truck manufacturing, not seasonally adjusted.
All Other: CUURS49ASA0L1EAll items less food and energy in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted.

Exhibit 2B
Rate Adjustment Procedure - Bins
Page 1 of 2

STEP ONE: Calculate Collection Component Percentage Change

		A	B	C	D	E	F
Row	**Index**	**Previous Index Value [1]**	**New Index Value [2]**	**Percent Change in Index (COL B - COL A) / COL A**	**Component Weighting [3]**	**Weighted Percentage Change (COL C * COL D)**	**Index Source**
1	Labor	26.250	27.040	3.0095%	25.000%	0.75%	Note 10
2	Fuel	230.298	299.751	30.1577%	5.000%	1.51%	
3	Equipment	153.450	156.743	2.1459%	20.000%	0.43%	
4	Other (Except Material Handling)	288.798	305.458	5.7687%	33.000%	1.90%	
5	**Total Collection Component**				83.000%	4.593%	

STEP TWO: Calculate Material Handling Component Index

		G	H	I	J	K	L
Row	**Facilities [4]**	**Prior Period Tonnage [5]**	**Prior Period Gate Fees [6]**	**Prior Period Material Handling Cost (COL G * COL H)**	**12 Month Period Ending December Tonnage [7]**	**Gate Fees Effective December [8]**	**Estimated Material Handling Cost (COL J * COL K)**
6	Refuse [FACILTY NAME]	7,662.1	$75.00	574,658	6,895.9	$78.75	543,051
7	Recycling [FACILITY NAME]	3,708.4	$90.00	333,756	3,708.4	$94.50	350,444
8	Organics [FACILITY NAME]		$90.00	-	766.2	$94.50	72,407
9	Unused			-	-		-
10	**Totals**	**11,371**		**$908,414**	**11,371**		**$965,902**
11	**Prior Period Index Value (G11 / I11) >>**			**$79.8921**	**ew Index Value (J11 / L11) >>**		**$84.9481**

STEP THREE: Calculate Percentage Change in Weighted Material Handling Index

		M	N	O	P	Q
Row	**Index**	**Previous Index Value (COL I, ROW 11)**	**New Index Value (COL K, ROW 11)**	**Percent Change in Index (COL N - COL M) / COL M**	**Component Weighting [3]**	**Weighted Percentage Change**
12	Material Handling Component	79.8921	84.9481	6.3284%	17.00%	1.08%

STEP FOUR: Calculate the Permitted Percentage Rate Change

		R	S	T	U	V
Row	**Cost Component**	**This Period Percentage Rate Adjustment**	**Allowed Carry Over Prior Period(s)**	**Total Allowed Percentage Rate Adjustment (COL R + COL S)**	**Maximum 5% any Rate Year (Next Period Carryover)**	**Total Permitted Percentage Rate Adjustment (COL T - COL U)**
13	Collection Component	4.5931%				
14	Material Handling Component	1.0758%				
15	**Total**	**5.6690%**	**0.0000%**	**5.6690%**	**0.6690%**	**5.0000%**

STEP Five: Calculate the Cost Components Weighting for Future Rate Adjustment Calculation

		W	X	T	Z	AA
Row	**Cost Component**	**Component Weighting This Period**	**Percentage Change as Applied to Rate Adjustment**	**Increase in Cost Components (W * X)**	**Cost Component Increased (W + T)**	**Cost Components Reweighted to Equal 100% for Future Adjustments**
16	Labor	25.0000%	0.7524%	0.1881%	25.188%	24.8992%
17	Fuel	5.0000%	1.5079%	0.0754%	5.075%	5.0172%
18	Equipment	20.0000%	0.4292%	0.0858%	20.086%	19.8554%
19	Other (Except Material Handling)	33.0000%	1.9037%	0.6282%	33.628%	33.2425%
20	Material Handling Component	17.0000%	1.0758%	0.1829%	17.183%	16.9858%
21	**Total**	**100.00%**	**5.67%**	**1.16%**	**101.16%**	**100.00%**

Exhibit 2B
Rate Adjustment Procedure - Bins
Page 2 of 2

(1) For Rate Year July 1, 2026 rate adjustment application, the "Previous Index Value" shall be the annual average value of the indices for the year ending December 2025.

For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Previous Index Value" shall be the indices values from the previous year's rate adjustment application.

(2) The "New Index Value" shall be the annual average value of the indices ending December of the prior year.

(3) For Rate Year July 1, 2026 rate adjustment application, "Component Weighting" shall be based on Contractor's
For Subsequent rate adjustment applications beginning with Rate Year July 1, 2027, "Component Weightings" shall be as calculated in COL AA, ROWS 16-20.

(4) Post collection facilities planned for use under this agreement.

(5) For Rate Year July 1, 2026 rate adjustment application, the "Prior Period Tonnage" values will be set based on Contractor's Proposal.
For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Prior Period Tonnage" values shall be the values from previous year's rate application.

(6) For Rate Year July 1, 2026 rate adjustment application, the "Prior Period Gate Fee" values will be set based on Contractor's Proposal.
For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Prior Period Gate Fee" values shall be the values from previous year's rate application.

(7) The Tonnage for each facility shall be the total tons delivered to the facility for the previous 12 month period ending December 31st.

(8) The "Gate Fees" values shall be the most current per ton rate charged at each facility.
Note: For Contractor owned facilities, Gate fees will be negotiated based on an index for disposal and transportatio

(9) Rate increases are limited to no more than 5% per year with a carryover allowance for any amount over 5%.

(10) References to Indices are as follows:
Labor: Driver rates based on labor agreement.
Fuel: WPU05522101PPI Commodity data for Fuels and related products and power-Commercial natural gas, not seasonally adjusted.
Equipment: PCU33612-33612-PPI industry data for Heavy duty truck manufacturing, not seasonally adjusted.
All Other: CUURS49ASA0L1EAll items less food and energy in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted.

Exhibit 2A
Rate Adjustment Procedure - Roll-Offs
Page 1 of 1

STEP ONE: Calculate Collection Component Percentage Change							
		A	B	C	D	E	F
Row	**Index**	**Previous Index Value [1]**	**New Index Value [2]**	**Percent Change in Index (COL B - COL A) / COL A**	**Component Weighting [3]**	**Weighted Percentage Change (COL C * COL D)**	**Index Source**
1	Labor	26.250	27.040	3.0095%	30.000%	0.90%	Note 5
2	Fuel	230.298	299.751	30.1577%	6.000%	1.81%	
3	Equipment	153.450	156.743	2.1459%	25.000%	0.54%	
4	Other (Except Material Handling)	288.798	305.458	5.7687%	39.000%	2.25%	
5	**Total Collection Component**				100.000%	5.499%	

STEP TWO: Calculate the Permitted Percentage Rate Change						
		G	H	I	J	K
Row	**Cost Component**	**This Period Percentage Rate Adjustment**	**Allowed Carry Over Prior Period(s)**	**Total Allowed Percentage Rate Adjustment (COL G + COL H)**	**Maximum 5% any Rate Year (Next Period Carryover)**	**Total Permitted Percentage Rate Adjustment (COL I - COL H)**
6	Collection Component	**5.4986%**	**0.0000%**	**5.4986%**	**0.4986%**	**5.0000%**

STEP Three: Calculate the Cost Components Weighting for Future Rate Adjustment Calculation						
		L	M	N	O	P
Row	**Cost Component**	**Component Weighting This Period**	**Percentage Change as Applied to Rate Adjustment**	**Increase in Cost Components (L * M)**	**Cost Component Increased (L + N)**	**Cost Components Reweighted to Equal 100% for Future Adjustments**
7	Labor	30.0000%	0.9029%	0.2709%	30.271%	29.8556%
8	Fuel	6.0000%	1.8095%	0.1086%	6.109%	6.0248%
9	Equipment	25.0000%	0.5365%	0.1341%	25.134%	24.7893%
10	Other (Except Material Handling)	39.0000%	2.2498%	0.8774%	39.877%	39.3304%
11	**Total**	**100.00%**	**5.50%**	**1.39%**	**101.39%**	**100.00%**

(1) For Rate Year July 1, 2026 rate adjustment application, the "Previous Index Value" shall be the annual average value of the indices for the year ending December 2025.

For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Previous Index Value" shall be the indices values from the previous year's rate adjustment application.

(2) The "New Index Value" shall be the annual average value of the indices ending December of the prior year.

(3) For Rate Year July 1, 2026 rate adjustment application, "Component Weighting" shall be based on Contractor's
For Subsequent rate adjustment applications beginning with Rate Year July 1, 2027, "Component Weightings" shall be as calculated in COL P, ROWS 7-10.

(4) Rate increases are limited to no more than 5% per year with a carryover allowance for any amount over 5%.

(5) References to Indices are as follows:

Labor: Driver rates based on labor agreement.
Fuel: WPU05522101PPI Commodity data for Fuels and related products and power-Commercial natural gas, not seasonally adjusted.
Equipment: PCU33612-33612-PPI industry data for Heavy duty truck manufacturing, not seasonally adjusted.
All Other: CUURS49ASA0L1EAll items less food and energy in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted.

Exhibit 2D
Rate Adjustment Procedure - COther Rates
Page 1 of 1

STEP ONE: Calculate Percentage Change in Index								
		A	B	C	D	E	F	G
Row	Index	Previous Index Value [1]	New Index Value [2]	Percent Change in Index (COL B - COL A) / COL A	Allowed Carry Over Prior Period(s)	Total Allowed Percentage Rate Adjustment (COL C + COL D)	Maximum 5% any Rate Year (Next Period Caryover)	Total Permitted Percentage Rate Adjustment (COL E - COL F)
1	CPI	288.798	305.458	5.7687%	**0.0000%**	**5.7687%**	**0.7687%**	**5.0000%**

(1) For Rate Year July 1, 2026 rate adjustment application, the "Previous Index Value" shall be the annual average value CPI CUURS49ASAL1E for the year ending December 2025.

For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Previous Index Value" shall be the index value from the previous year's rate adjustment application.

(2) The "New Index Value" shall be the annual average value of the CPI CUURS49ASAL1E ending December of the prior year.

(3) Rate increases are limited to no more than 5% per year with a carryover allowance for any amount over 5%.

(4) Index shall be the CPI CUURS49ASA0L1E All items less food and energy in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted.

EXHIBIT 2E
Example Calculation for
Average Annual Change in Published Indices

Fuel Index

The fuel rate adjustment index is calculated using the "average annual change" as demonstrated in the example below, measured for the 12 months ending December prior to the Rate Year anniversary date compared to the 12 months ending December in the previous year. The Bureau of Labor Statistics publishes the Producer Price Index for Fuels and Related Products and Power – Natural Gas. In the example below, the average annual index for the 12 months ended December 2022 of 299.7508 is entered in Column B, Row 2, "New Index Value," of the example rate adjustment formula in Exhibit 2A, and the average annual index for the 12 months ended December 2021 of 230.2982 is entered in Column A, Row 2, "Previous Index Value" in Exhibit 2A. This would have resulted in a 30.1577% increase to the fuel component of rates as calculated in Column C, Row 2 of Exhibit 2A.

PPI Commodity Data
Series Id: WPU05522101
Not Seasonally Adjusted
Series Title: PPI Commodity data for Fuels and related products and power-Commercial natural gas, not seasonally adjusted
Group: Fuels and related products and power
Item: Commercial natural gas, Pacific
Base Date: 199012
Source: https://data.bls.gov/timeseries/WPU05522101

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2013	184.3000	185.4000	183.2000	187.5000	190.8000	189.7000	186.2000	184.3000	181.9000	183.6000	190.3000	189.3000	186.3750
2014	195.0000	202.2000	216.3000	209.1000	206.2000	201.6000	203.1000	197.1000	195.3000	191.4000	193.6000	198.3000	200.7667
2015	196.6000	189.8000	183.1000	175.0000	169.3000	173.6000	173.5000	174.9000	171.0000	170.4000	171.1000	171.1000	176.6167
2016	173.1000	171.4000	164.2000	163.2000	161.4000	161.7000	170.3000	176.5000	176.5000	178.5000	183.4000	184.5000	172.0583
2017	192.1000	190.7000	188.5000	188.8000	188.1000	190.2000	187.4000	187.3000	185.8000	184.8000	190.9000	194.0000	189.0500
2018	193.1000	201.0000	195.8000	190.5000	184.6000	183.7000	185.1000	188.9000	186.1000	185.1000	191.3000	203.0000	190.6833
2019	203.5000	199.7000	198.5000	193.8000	187.0000	186.6000	185.4000	188.5000	184.4000	185.6000	190.9000	193.4000	191.4417
2020	195.1000	191.2000	187.3000	180.7000	178.8000	180.7000	178.5000	181.4000	185.6000	184.8000	200.8000	202.2000	187.2583
2021	206.2000	208.3000	212.7000	213.9000	215.9000	222.1000	223.6250	232.5240	238.5540	254.8440	267.3180	267.6130	230.2982
2022	269.8120	267.5040	265.5180	273.0230	291.6530	317.0510	306.7300	321.1900	330.3090	317.9990	312.2300	323.9900	299.7508
2023	363.911(P)	318.226(P)	284.739(P)	260.845(P)									
Percent Change in Index (299.7508 - 230.2982) / 230.2982													**30.1577%**

EXHIBIT 2E
Example Calculation for
Average Annual Change in Published Indices

Equipment Index

The PPI rate adjustment index is calculated using the “average annual change” as demonstrated in the example below, measured for the 12 months ending December prior to the Rate Year anniversary date compared to the 12 months ending December in the previous year.

In the example below, the average annual index for the 12 months ended December 2022 of 156.743 is entered in Column B, Row 3, “New Index Value,” of the example rate adjustment formula in Exhibit 2A, and the average annual index for the 12 months ended December 2021 of 153.45 is entered in Column A, Row 3, “Previous Index Value” in Exhibit 2A. This would have resulted in a 2.146% increase to the Other cost category of the rates as calculated in Column C, Row 3 of Exhibit 2A.

PPI Industry Data
Series Id: PCU33612-33612-
Series Title: PPI industry data for Heavy duty truck manufacturing, not seasonally adjusted
Industry: Heavy duty truck manufacturing
Product: Heavy duty truck manufacturing
Base Date: 200312
Source: https://data.bls.gov/

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2013	136.100	135.800	135.600	135.200	136.000	136.800	137.000	136.800	136.800	138.000	138.500	138.300	136.742
2014	138.800	139.200	139.300	139.100	139.100	139.100	139.100	139.400	139.400	139.600	139.700	139.600	139.283
2015	140.700	140.900	141.900	141.900	141.700	141.700	142.300	142.400	142.400	142.500	142.700	142.900	142.000
2016	144.300	144.300	144.200	144.600	144.800	144.600	144.600	144.800	145.200	145.000	145.200	145.400	144.750
2017	147.800	147.600	147.400	148.200	148.200	147.300	147.600	147.700	147.400	147.000	147.400	147.500	147.592
2018	147.600	148.500	148.700	148.500	148.800	148.800	149.200	150.300	150.300	150.300	150.300	150.300	149.300
2019	150.500	150.500	150.500	150.500	150.500	150.500	151.100	151.100	151.100	151.100	151.100	151.100	150.800
2020	151.800	151.800	151.800	151.800	151.800	151.800	152.600	152.600	152.600	152.700	152.700	152.900	152.242
2021	152.900	152.900	153.000	153.100	153.200	153.400	153.450	153.786	153.786	153.838	154.022	154.022	153.450
2022	154.646	154.701	154.701	154.701	156.845	157.527	157.546	157.683	157.743	158.147	158.232	158.446	156.743
2023	158.594 (P)	159.49(P)	159.491(P)	159.796(P)									
Percent Change in Index (156.743 - 153.450) / 153.450													**2.146%**

EXHIBIT 2E
Example Calculation for
Average Annual Change in Published Indices

CPI Index

The CPI rate adjustment index is calculated using the “average annual change” as demonstrated in the example below, measured for the 12 months ending December prior to the Rate Year anniversary date compared to the 12 months ending December in the previous year.

In the example below, the average annual index for the 12 months ended December 2022 of 305.458 is entered in Column B, Row 4, “New Index Value,” of the example rate adjustment formula in Exhibit 2A, and the average annual index for the 12 months ended December 2021 of 288.798 is entered in Column A, Row 4, “Previous Index Value” in Exhibit 2A. This would have resulted in a 5.7987% increase to the Other cost category of the rates as calculated in Column C, Row 4 of Exhibit 2A.

CPI for All Urban Consumers (CPI-U)
Series Id: CUURS49ASA0L1E
Not Seasonally Adjusted
Series Title: All items less food and energy in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted
Area: Los Angeles-Long Beach-Anaheim, CA
Item: All items less food and energy
Base Period: 1982-84=100
Source: https://data.bls.gov/timeseries/CUURS49ASA0L1E

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2013	236.321	236.585	237.113	236.908	237.043	236.819	236.625	237.591	237.654	238.825	238.064	237.852	237.283
2014	239.084	239.908	240.322	240.507	240.366	240.460	240.981	241.574	242.016	242.360	241.842	241.491	240.909
2015	242.003	242.806	243.957	244.138	244.800	245.236	245.394	245.896	246.488	247.539	248.120	248.140	245.376
2016	249.652	251.059	251.438	251.672	253.179	253.074	253.042	253.775	253.898	254.388	253.711	253.882	252.731
2017	256.209	257.518	257.903	258.472	258.872	258.924	260.020	260.698	261.277	262.829	262.656	262.960	259.862
2018	264.641	266.332	267.434	267.945	268.532	268.094	268.484	268.939	271.259	271.982	271.552	270.898	268.841
2019	273.579	273.716	274.954	276.185	276.421	277.384	277.590	278.131	278.935	279.732	279.781	278.812	277.102
2020	281.022	282.124	280.815	280.885	281.340	282.329	283.839	283.752	282.712	283.055	283.873	282.907	282.388
2021	282.846	282.860	283.389	286.255	287.323	288.958	290.279	290.327	291.056	292.702	294.154	295.428	288.798
2022	298.501	299.588	300.952	302.803	304.024	306.206	306.958	308.463	309.292	310.310	309.578	308.824	305.458
2023	312.000	313.159	313.828	316.523									
Percent Change in Index (305.458 - 288.798) / 288.798													**5.7687%**

EXHIBIT 6
CORPORATE GUARANTY

Guaranty

THIS GUARANTY (the “Guaranty) is given as of the ___ day of ___________, 2022.

THIS GUARANTY is made with reference to the following facts and circumstances:

A. _______________________, hereinafter (“Owner”) is a ________________________ organized under the laws of the State of ___________, which is wholly owned by ________________________. (Guarantor).

B. Owner and the City have negotiated an Agreement for Collection, processing, and Disposal of Solid Waste dated as of __________ ____, (hereinafter “Agreement”). A copy of this Agreement is attached hereto.

C. It is a requirement of the Agreement, and a condition to the City entering into the Agreement, that Guarantor guaranty Owner’s performance of the Agreement.

D. Guarantor is providing this Guaranty to induce the City to enter into the Agreement.

NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

1. **Guaranty of the Agreement.** Guarantor hereby irrevocably and unconditionally guarantees to the City the complete and timely performance, satisfaction and observation by Owner of each and every term and condition of the Agreement which Owner is required to perform, satisfy or observe. In the event that Owner fails to perform, satisfy or observe any of the terms and conditions of the Agreement, Guarantor will promptly and fully perform, satisfy or observe them in the place of the Owner or cause them to be performed, satisfied or observed. Guarantor hereby guarantees payment to the City of any damages, costs or expenses which might become recoverable by the City from Owner due to its breach of the Agreement.

2. **Guarantor’s Obligations Are Absolute.** The obligations of the Guarantor hereunder are direct, immediate, absolute, continuing, unconditional and unlimited, and with respect to any payment obligation of Owner under the Agreement, shall constitute a guarantee of payment and not of collection, and are not conditional upon the genuineness, validity, regularity or enforceability of the Agreement. In any action brought against the Guarantor to enforce, or for damages for breach of, its obligations hereunder, the Guarantor shall be entitled to all defenses, if any, that would be available to the Owner in

EXHIBIT 6
CORPORATE GUARANTY

an action to enforce, or for damages for breach of, the Agreement (other than discharge of, or stay of proceedings to enforce, obligations under the Agreement under bankruptcy law).

3. **Waivers.** Except as provided herein the Guarantor shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from its obligations under it for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or cessation of existence of the Owner; (2) the actual or purported rejection by a trustee in bankruptcy of the Agreement, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (3) any waiver with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any of the City's rights or remedies against the Owner; or (4) any merger or consolidation of the Owner with any other corporation, or any sale, lease or transfer of any or all the assets of the Owner. Without limiting the generality of the foregoing, Guarantor hereby waives the rights and benefits under California Civil Code Section 2819.

The Guarantor hereby waives any and all benefits and defenses under California Civil Code Section 2846, 2849, and 2850, including without limitation, the right to require the City to (a) proceed against Owner, (b) proceed against or exhaust any security or collateral the City may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agrees that the City may proceed against Guarantor for the obligations guaranteed herein without taking any action against Owner or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral the City may hold now or hereafter hold. City may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against Owner or any other guarantor or pledgor without impairing the City's rights and remedies in enforcing this Guaranty.

The Guarantor hereby waives and agrees to waive at any future time at the request of the City to the extent now or then permitted by Applicable Law, any and all rights which the Guarantor may have or which at any time hereafter may be conferred upon it, by statute, regulation or otherwise, to avoid any of its obligations under, or to terminate, cancel, quit or surrender this Guaranty. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of the Guarantor hereunder: (a) at any time or from time to time, without notice the Guarantor, performance or compliance herewith is waived; (b) any other of any provision of its Agreement indemnification with respect to Owner's obligations under the Agreement or any security

EXHIBIT 6
CORPORATE GUARANTY

therefore is released or exchanged in whole or in part or otherwise dealt with; or (c) any assignment of the Agreement is effected which does not require the City's approval.

The Guarantor hereby expressly waives diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantor's obligations hereunder shall continue and remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from the City as a preference, fraudulent transfer or otherwise, irrespective of (a) any notice of revocation given by Guarantor or Owner prior to such avoidance or recovery, and (b) payment in full of any obligations then outstanding.

4. **Term.** This Guaranty is not limited to any period of time, but shall continue in full force and effect until all of the terms and conditions of the Agreement have been fully performed or otherwise discharged and Guarantor shall remain fully responsible under this Guaranty without regard to the acceptance by the City of any performance bond or other collateral to assure the performance of Owner's obligations under the Agreement. Guarantor shall not be released of its obligations hereunder so long as there is any claim by the City against Owner arising out of the Agreement based on Owner's failure to perform which has not been settled or discharged.

5. **No Waivers.** No delay on the part of the City in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantor shall be a waiver of any obligation of Guarantor or right of the City to take other or further action without notice or demand. No modification or waiver of any of the provisions of this Guaranty shall be effective unless it is in writing and signed by the City and by Guarantor, nor shall any waiver be effective except in the specific instance or matter for which it is given.

6. **Attorney's Fees.** In addition to the amounts guaranteed under this Guaranty, Guarantor agrees in the event of Guaranty's breach of its obligations to pay reasonable attorney's fees and all other reasonable costs and expenses incurred by the City in enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty, including any action instituted to determine the respective rights and obligations of the parties hereunder.

EXHIBIT 6
CORPORATE GUARANTY

7. Governing Law: Jurisdiction. This Guaranty is and shall be deemed to be a contract entered into in and pursuant to the laws of the State of California and shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws, rules for all purposes including, but not limited to, matters of construction, validity and performance. Guarantor agrees that any action brought by the City to enforce this Guaranty may be brought in any court of the State of California and Guarantor consents to personal jurisdiction over it by such courts. Guarantor appoints the following person as its agents for service of process in California:

____
____
____
____

With a copy by certified mail to:

____
____
____
____

8. Severability. If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity will have not have an effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.

9. Binding On Successors. This Guaranty shall inure to the benefit of the City and its successors and shall be binding upon Guarantor and its successors, including transferee(s) of substantially all of its assets and its shareholder(s) in the event of its dissolution or insolvency.

10. Authority. Guarantor represents and warrants that it has the corporate power and authority to give this Guaranty, that its execution of this Guaranty has been authorized by all necessary action under its Article of Incorporation and By-Laws, and that the person signing this Guaranty on its behalf has the authority to do so.

11. Notices. Notice shall be given in writing, deposited in the U.S. mail, registered or certified, first class postage prepaid, addressed as follows:

To the City: City Manager

EXHIBIT 6
CORPORATE GUARANTY

City of Diamond Bar
21810 Copley Driver
Diamond Bar, CA 91765

with a copy to the City Counsel at the same address.

To the Guarantor: ____________
____
____
____

____
____
____
____

By: ________________________
(title)

By: ________________________
(title)

EXHIBIT 7
CONTRACTOR'S FAITHFUL PERFORMANCE BOND

Guaranty

KNOW ALL MEN BY THESE PRESENTS:

That ______________________________, a California _________, as PRINCIPAL, and , __________ ____a Corporation organized and doing business by virtue of the laws of the State of California, and duly licensed for the purpose of making, guaranteeing, or becoming sole surety upon bonds or undertakings required or authorized by the laws of the State of California, as SURETY, are held and firmly bound to City, hereinafter called OBLIGEE, in the penal sum of one-hundred twenty-five thousand dollars ($125,000) lawful money of the United States, for the payment of which, well and truly to be made, we and each of us hereby bind ourselves, and our and each of our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the above bounden PRINCIPAL has entered into a contract, entitled "SOLID WASTE SERVICE FOR THE CITY OF DIAMOND BAR" with City, to do and perform the following work, to wit: Collect, Process and Dispose of Solid Waste generated within City, in accordance with the contract.

NOW, THEREFORE, if the above bounden PRINCIPAL shall well and truly perform, or cause to be performed each and all of the requirements and obligations of said contract to be performed by said PRINCIPAL, as in said contract set forth, then this BOND shall be null and void; otherwise it will remain in full force and effect.

And the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any wise affect its obligations on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work or to the specifications.

EXHIBIT 7
CONTRACTOR'S FAITHFUL PERFORMANCE BOND

In the event suit is brought by OBLIGEE to enforce the provisions of this bond, said Surety will pay to OBLIGEE a reasonable attorney's fee, plus costs of suit, in an amount to be fixed by the court.

IN WITNESS WHEREOF, said PRINCIPAL and said SURETY have caused these presents to be duly signed and sealed this ________DAY OF 20____________.

a California Corporation SURETY

By: _________________________	By: ________________________________
(PRINCIPAL)	(ATTORNEY IN FACT)
(SEAL)	(SEAL)

Exhibit 2A
Rate Adjustment Procedure - SFD Carts
Page 1 of 9

STEP ONE: Calculate Collection Component Percentage Change

		A	B	C	D	E	F
Row	Cost Category	Previous Index Value [1]	New Index Value [2]	Percent Change in Index (COL B - COL A) / COL A	Component Weighting [3]	Weighted Percentage Change (COL C * COL D)	Index Source
1	Labor	26.250	27.040	3.0095%	25.000%	0.75%	Note 10
2	Fuel	230.298	299.751	30.1577%	5.000%	1.51%	
3	Equipment	153.450	156.743	2.1460%	20.000%	0.43%	
4	Other (Except Material Handling)	288.798	305.458	5.7687%	27.000%	1.56%	
5	**Total Collection Component**				77.000%	4.247%	

STEP TWO: Calculate Material Handling Component Index

		G	H	I	J	K	L
Row	Facilities [4]	Prior Period Tonnage [5]	Prior Period Gate Fees [6]	Prior Period Material Handling Cost (COL G * COL H)	12 Month Period Ending December Tonnage [7]	Gate Fees Effective December [8]	Estimated Material Handling Cost (COL J * COL K)
6	Refuse [FACILTY NAME]	14,643.4	$75.00	1,098,255	14,643.4	$78.75	1,153,168
7	Recycling [FACILITY NAME]	3,640.1	$90.00	327,609	3,640.1	$94.50	343,989
8	Organics [FACILITY NAME]	7,040.9	$90.00	633,681	7,040.9	$94.50	665,365
9	Unused			-	-		-
10	**Totals**	**25,324**		**$2,059,545**	**25,324**		**$2,162,522**
11	**Prior Period Index Value (G11 / I11) >>**			**$81.3265**	**New Index Value (J11 / L11) >>**		**$85.3928**

STEP THREE: Calculate Percentage Change in Weighted Material Handling Index

		M	N	O	P	Q
Row	Cost Category	Previous Index Value (COL I, ROW 11)	New Index Value (COL K, ROW 11)	Percent Change in Index (COL N - COL M) / COL M	Component Weighting [3]	Weighted Percentage Change
12	Material Handling Component	81.3265	85.3928	5.0000%	23.00%	1.15%

STEP FOUR: Calculate the Permitted Percentage Rate Change

		R	S	T	U	V
Row	Cost Component	This Period Percentage Rate Adjustment	Allowed Carry Over Prior Period(s)	Total Allowed Percentage Rate Adjustment (COL R + COL S)	Maximum 5% any Rate Year (Next Period Carryover)	Total Permitted Percentage Rate Adjustment (COL T - COL U)
13	Collection Component	4.2470%				
14	Material Handling Component	1.1500%				
15	**Total**	**5.3970%**	**0.0000%**	**5.3970%**	**0.3970%**	**5.0000%**

STEP FIVE: Calculate the Cost Components Weighting for Future Rate Adjustment Calculation

		W	X	T	Z	AA
Row	Cost Component	Component Weighting This Period	Percentage Change as Applied to Rate Adjustment	Increase in Cost Components (W * X)	Cost Component Increased (W + T)	Cost Components Reweighted to Equal 100% for Future Adjustments
16	Labor	25.0000%	0.7524%	0.1881%	25.188%	24.9302%
17	Fuel	5.0000%	1.5079%	0.0754%	5.075%	5.0234%
18	Equipment	20.0000%	0.4292%	0.0858%	20.086%	19.8802%
19	Other (Except Material Handling)	27.0000%	1.5576%	0.4205%	27.421%	27.1398%
20	Material Handling Component	23.0000%	1.1500%	0.2645%	23.265%	23.0263%
21	**Total**	**100.00%**	**5.40%**	**1.03%**	**101.03%**	**100.00%**

Exhibit 2A
Rate Adjustment Procedure - SFD Carts

STEP SIX: Calculate the Adjusted Rate					
		AB	AC	AD	AE
Row	Rate Category	Current Rate	Permitted Percentage Change (from Row 15 Column V)	Rate Increase or Decrease (Column AB x Column AC)	Adjusted Rate (Column AB + Column AD)
22		$ 25.00	5.0000%	1.25	$ 26.25
23		$ 25.00	5.0000%	1.25	$ 26.25
24		$ 25.00	5.0000%	1.25	$ 26.25

Exhibit 2A
Rate Adjustment Procedure - SFD Carts

(1) For Rate Year July 1, 2026 rate adjustment application, the "Previous Index Value" shall be the annual average value of the indices for the year ending December 2025.

For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Previous Index Value" shall be the indices values from the previous year's rate adjustment application.

(2) The "New Index Value" shall be the annual average value of the indices ending December of the prior year.

(3) For Rate Year July 1, 2026 rate adjustment application, "Component Weighting" shall be based on Contractor's
For Subsequent rate adjustment applications beginning with Rate Year July 1, 2027, "Component Weightings" shall be as calculated in COL AA, ROWS 16-20.

(4) Post collection facilities planned for use under this agreement.

(5) For Rate Year July 1, 2026 rate adjustment application, the "Prior Period Tonnage" values will be set based on Contractor's Proposal.
For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Prior Period Tonnage" values shall be the values from previous year's rate application.

(6) For Rate Year July 1, 2026 rate adjustment application, the "Prior Period Gate Fee" values will be set based on Contractor's Proposal.
For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Prior Period Gate Fee" values shall be the values from previous year's rate application.

(7) The Tonnage for each facility shall be the total tons delivered to the facility for the previous 12 month period ending December 31st.

(8) The "Gate Fees" values shall be the most current per ton rate charged at each facility.
Note: For Contractor owned facilities, Gate fees will be negotiated based on an index for disposal and transportation

(9) Rate increases are limited to no more than 5% per year with a carryover allowance for any amount over 5%.

(10) References to Indices are as follows:
Labor: Driver rates based on labor agreement.
Fuel: WPU05522101PPI Commodity data for Fuels and related products and power-Commercial natural gas, not seasonally adjusted.
Equipment: PCU33612-33612-PPI industry data for Heavy duty truck manufacturing, not seasonally adjusted.
All Other: CUURS49ASA0L1EAll items less food and energy in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted.

Exhibit 2B
Rate Adjustment Procedure - Bins

STEP ONE: Calculate Collection Component Percentage Change

		A	B	C	D	E	F
Row	Index	Previous Index Value [1]	New Index Value [2]	Percent Change in Index (COL B - COL A) / COL A	Component Weighting [3]	Weighted Percentage Change (COL C * COL D)	Index Source
1	Labor	26.250	27.040	3.0095%	25.000%	0.75%	Note 10
2	Fuel	230.298	299.751	30.1577%	5.000%	1.51%	
3	Equipment	153.450	156.743	2.1459%	20.000%	0.43%	
4	Other (Except Material Handling)	288.798	305.458	5.7687%	33.000%	1.90%	
5	**Total Collection Component**				83.000%	4.593%	

STEP TWO: Calculate Material Handling Component Index

		G	H	I	J	K	L
Row	Facilities [4]	Prior Period Tonnage [5]	Prior Period Gate Fees [6]	Prior Period Material Handling Cost (COL G * COL H)	12 Month Period Ending December Tonnage [7]	Gate Fees Effective December [8]	Estimated Material Handling Cost (COL J * COL K)
6	Refuse [FACILTY NAME]	7,662.1	$75.00	574,658	6,895.9	$78.75	543,051
7	Recycling [FACILITY NAME]	3,708.4	$90.00	333,756	3,708.4	$94.50	350,444
8	Organics [FACILITY NAME]		$90.00	-	766.2	$94.50	72,407
9	Unused			-	-		-
10	**Totals**	**11,371**		**$908,414**	**11,371**		**$965,902**
11	**Prior Period Index Value (G11 / I11) >>**			**$79.8921**	**ew Index Value (J11 / L11) >>**		**$84.9481**

STEP THREE: Calculate Percentage Change in Weighted Material Handling Index

		M	N	O	P	Q
Row	Index	Previous Index Value (COL I, ROW 11)	New Index Value (COL K, ROW 11)	Percent Change in Index (COL N - COL M) / COL M	Component Weighting [3]	Weighted Percentage Change
12	Material Handling Component	79.8921	84.9481	6.3284%	17.00%	1.08%

STEP FOUR: Calculate the Permitted Percentage Rate Change

		R	S	T	U	V
Row	Cost Component	This Period Percentage Rate Adjustment	Allowed Carry Over Prior Period(s)	Total Allowed Percentage Rate Adjustment (COL R + COL S)	Maximum 5% any Rate Year (Next Period Carryover)	Total Permitted Percentage Rate Adjustment (COL T - COL U)
13	Collection Component	4.5931%				
14	Material Handling Component	1.0758%				
15	**Total**	**5.6690%**	**0.0000%**	**5.6690%**	**0.6690%**	**5.0000%**

STEP Five: Calculate the Cost Components Weighting for Future Rate Adjustment Calculation

		W	X	T	Z	AA
Row	Cost Component	Component Weighting This Period	Percentage Change as Applied to Rate Adjustment	Increase in Cost Components (W * X)	Cost Component Increased (W + T)	Cost Components Reweighted to Equal 100% for Future Adjustments
16	Labor	25.0000%	0.7524%	0.1881%	25.188%	24.8992%
17	Fuel	5.0000%	1.5079%	0.0754%	5.075%	5.0172%
18	Equipment	20.0000%	0.4292%	0.0858%	20.086%	19.8554%
19	Other (Except Material Handling)	33.0000%	1.9037%	0.6282%	33.628%	33.2425%
20	Material Handling Component	17.0000%	1.0758%	0.1829%	17.183%	16.9858%
21	**Total**	**100.00%**	**5.67%**	**1.16%**	**101.16%**	**100.00%**

Exhibit 2B
Rate Adjustment Procedure - Bins

STEP SIX: Calculate the Adjusted Rate					
		AB	AC	AD	AE
Row	Rate Category	Current Rate	Permitted Percentage Change (from Row 15 Column V)	Rate Increase or Decrease (Column AB x Column AC)	Adjusted Rate (Column AB + Column AD)
22		$ 200.00	5.0000%	10.00	$ 210.00
23		$ 200.00	5.0000%	10.00	$ 210.00
24		$ 200.00	5.0000%	10.00	$ 210.00

Exhibit 2B
Rate Adjustment Procedure - Bins
Page 6 of 9

(1) For Rate Year July 1, 2026 rate adjustment application, the "Previous Index Value" shall be the annual average value of the indices for the year ending December 2025.

For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Previous Index Value" shall be the indices values from the previous year's rate adjustment application.

(2) The "New Index Value" shall be the annual average value of the indices ending December of the prior year.

(3) For Rate Year July 1, 2026 rate adjustment application, "Component Weighting" shall be based on Contractor's
For Subsequent rate adjustment applications beginning with Rate Year July 1, 2027, "Component Weightings" shall be as calculated in COL AA, ROWS 16-20.

(4) Post collection facilities planned for use under this agreement.

(5) For Rate Year July 1, 2026 rate adjustment application, the "Prior Period Tonnage" values will be set based on Contractor's Proposal.
For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Prior Period Tonnage" values shall be the values from previous year's rate application.

(6) For Rate Year July 1, 2026 rate adjustment application, the "Prior Period Gate Fee" values will be set based on Contractor's Proposal.
For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Prior Period Gate Fee" values shall be the values from previous year's rate application.

(7) The Tonnage for each facility shall be the total tons delivered to the facility for the previous 12 month period ending December 31st.

(8) The "Gate Fees" values shall be the most current per ton rate charged at each facility.
Note: For Contractor owned facilities, Gate fees will be negotiated based on an index for disposal and transportatio

(9) Rate increases are limited to no more than 5% per year with a carryover allowance for any amount over 5%.

(10) References to Indices are as follows:

Labor: Driver rates based on labor agreement.
Fuel: WPU05522101PPI Commodity data for Fuels and related products and power-Commercial natural gas, not seasonally adjusted.
Equipment: PCU33612-33612-PPI industry data for Heavy duty truck manufacturing, not seasonally adjusted.
All Other: CUURS49ASA0L1EAll items less food and energy in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted.

Exhibit 2A
Rate Adjustment Procedure - Roll-Offs
Page 7 of 9

STEP ONE: Calculate Collection Component Percentage Change							
		A	B	C	D	E	F
Row	Index	Previous Index Value [1]	New Index Value [2]	Percent Change in Index (COL B - COL A) / COL A	Component Weighting [3]	Weighted Percentage Change (COL C * COL D)	Index Source
1	Labor	26.250	27.040	3.0095%	30.000%	0.90%	Note 5
2	Fuel	230.298	299.751	30.1577%	6.000%	1.81%	
3	Equipment	153.450	156.743	2.1459%	25.000%	0.54%	
4	Other (Except Material Handling)	288.798	305.458	5.7687%	39.000%	2.25%	
5	**Total Collection Component**				100.000%	5.499%	

STEP TWO: Calculate the Permitted Percentage Rate Change						
		G	H	I	J	K
Row	Cost Component	This Period Percentage Rate Adjustment	Allowed Carry Over Prior Period(s)	Total Allowed Percentage Rate Adjustment (COL G + COL H)	Maximum 5% any Rate Year (Next Period Carryover)	Total Permitted Percentage Rate Adjustment (COL I - COL H)
6	Collection Component	**5.4986%**	**0.0000%**	**5.4986%**	**0.4986%**	**5.0000%**

STEP THREE: Calculate the Cost Components Weighting for Future Rate Adjustment Calculation						
		L	M	N	O	P
Row	Cost Component	Component Weighting This Period	Percentage Change as Applied to Rate Adjustment	Increase in Cost Components (L * M)	Cost Component Increased (L + N)	Cost Components Reweighted to Equal 100% for Future Adjustments
7	Labor	30.0000%	0.9029%	0.2709%	30.271%	29.8556%
8	Fuel	6.0000%	1.8095%	0.1086%	6.109%	6.0248%
9	Equipment	25.0000%	0.5365%	0.1341%	25.134%	24.7893%
10	Other (Except Material Handling)	39.0000%	2.2498%	0.8774%	39.877%	39.3304%
11	**Total**	**100.00%**	**5.50%**	**1.39%**	**101.39%**	**100.00%**

STEP FOUR: Calculate the Adjusted Rate					
		Q	R	S	T
Row	Rate Category	Current Rate	Total Weighted Percentage Change (from Row 6 Column K)	Rate Increase or Decrease (Column Q x Column R)	Adjusted Rate (Column Q + Column S)
12		$ 225.00	5.0000%	11.25	$ 236.25
13		$ 225.00	5.0000%	11.25	$ 236.25
14		$ 225.00	5.0000%	11.25	$ 236.25

(1) For Rate Year July 1, 2026 rate adjustment application, the "Previous Index Value" shall be the annual average value of the indices for the year ending December 2025.

For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Previous Index Value" shall be the indices values from the previous year's rate adjustment application.

(2) The "New Index Value" shall be the annual average value of the indices ending December of the prior year.

(3) For Rate Year July 1, 2026 rate adjustment application, "Component Weighting" shall be based on Contractor's
For Subsequent rate adjustment applications beginning with Rate Year July 1, 2027, "Component Weightings" shall be as calculated in COL P, ROWS 7-10.

Exhibit 2A
Rate Adjustment Procedure - Roll-Offs

(4) Rate increases are limited to no more than 5% per year with a carryover allowance for any amount over 5%.

(5) References to Indices are as follows:

Labor: Driver rates based on labor agreement.

Fuel: WPU05522101PPI Commodity data for Fuels and related products and power-Commercial natural gas, not seasonally adjusted.

Equipment: PCU33612-33612-PPI industry data for Heavy duty truck manufacturing, not seasonally adjusted.

All Other: CUURS49ASA0L1EAll items less food and energy in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted.

Exhibit 2D
Rate Adjustment Procedure - COther Rates
Page 9 of 9

STEP ONE: Calculate Percentage Change in Index								
		A	B	C	D	E	F	G
Row	**Index**	**Previous Index Value [1]**	**New Index Value [2]**	**Percent Change in Index (COL B - COL A) / COL A**	**Allowed Carry Over Prior Period(s)**	**Total Allowed Percentage Rate Adjustment (COL C + COL D)**	**Maximum 5% any Rate Year (Next Period Caryover)**	**Total Permitted Percentage Rate Adjustment (COL E - COL F)**
1	CPI	288.798	305.458	5.7687%	**0.0000%**	**5.7687%**	**0.7687%**	**5.0000%**

(1) For Rate Year July 1, 2026 rate adjustment application, the "Previous Index Value" shall be the annual average value CPI CUURS49ASAL1E for the year ending December 2025.

For subsequent rate adjustment applications beginning with Rate Year July 1, 2027, the "Previous Index Value" shall be the index value from the previous year's rate adjustment application.

(2) The "New Index Value" shall be the annual average value of the CPI CUURS49ASAL1E ending December of the prior year.

(3) Rate increases are limited to no more than 5% per year with a carryover allowance for any amount over 5%.

(4) Index shall be the CPI CUURS49ASA0L1E All items less food and energy in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted.

Subject: Diamond Bar Addendum #2
From: Enrique Vazquez <enrique@sloanvazquez.com>
Date: 7/20/2023, 5:35 PM
To: "Quiroa, Lily" <LQuiroa@wm.com>, David Perez <DavidPerez@zerepmanagement.com>, Jesse Quintana <JesseQuintana@zerepmanagement.com>
CC: 'Alfa Lopez' <ALopez@DiamondBarCA.Gov>

Lily Quiroa,
David Perez,

Attached is Addendum #2 consisting of responses to questions submitted as of July 10, 2023.

Please acknowledge receipt.

Best regards,

--
Enrique Vazquez
Sloan Vazquez McAfee
626-347-3226
www.sloanvazquez.com

Attachments:

DB RFP Addendum #2.pdf	377 KB
Attachment A..pdf	1.0 MB

REQUEST FOR PROPOSALS
FOR
SOLID WASTE SERVICES
ADDENDUM #2

Issued by

CITY OF DIAMOND BAR CALIFORNIA

Prepared by:

SloanVAZQUEZMCAFEE
MUNICIPAL SOLID WASTE ADVISORS

3002 Dow Avenue, Suite 116, Tustin, CA 92780
Office: 866.241.4533
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Contact: Enrique Vazquez
enrique@sloanvazquez.com
626-347-3226

July 20, 2023

This addendum #2 to the RFP for Solid Waste Services consists of answers to questions submitted by proposers as of July 10, 2023, the deadline to submit questions. Note that the City has attempted to provide all information available by answering these questions.

For questions that consisted primarily of requests to modify the language of the draft agreement, you are reminded that the process is to submit substitute language with your proposals for the City's consideration. This step in the process is for questions and answers and not for negotiating. Negotiations will be limited to sections identified by proposers and for which substitute language is provided.

For questions with a response of "Under Review", the City will attempt to respond to these prior to the proposal due date but is not obligated to do so. Proposers are reminded to prepare their proposal without further answers to the questions already provided. And also include these questions in your proposals along with substitute language.

Although the deadline to submit questions has expired, you are welcome to contact Enrique Vazquez through DiamondBarRFP@sloanvazquez.com or at 626-347-3226 with any technical questions regarding the worksheets. Also, if there are questions that arise during the preparation of the proposals, you may submit additional questions and every attempt will be made to respond to them. However, there is no guarantee that further questions will be answered. Proposer must continue the preparation of their proposals with the information provided thus far.

RESPONSES TO QUESTIONS

Question #1:

There is subscription service for Commercial but there is none for Residential. Just confirming that Attachment 6 Residential service count is accurate. Need senior subscription information.

Response:

Proposers are to use the residential service subscription counts that are included in Attachment 6 Form 2.1 SFD. These service counts will be used to estimate the total revenue requirement of each proposal. The City does not have a breakdown of cart size for the 3,425 senior subscription count. For the purpose of this RFP, it will be assumed that the 3,425 senior subscriptions are for 64-Gallon cart size.

Note: Footnote #1 incorrectly states 3,325 senior discounted accounts. This should be 3,425.

The subscription counts for commercial service included in Attachment 6 Form 2.2 Commercial Rates represent the best-known subscription information available to the City. Each proposer must provide their own projection of subscription levels based on their own assumptions used for the preparation of their own proposal.

As stated in the RFP, each proposer should take whatever steps it believes are necessary to determine the actual service requirements of the City and understand service conditions when preparing a proposal.

Question #2:

Please clarify why there are two rates. Additionally, there does not appear to be counts for 2A.?

ATTACHMENT 2

EXHIBIT 2

MAXIMUM RATES

Following are the rates effective July 1, 2022:

Residential Service	Rate
Cart Service – one each refuse, recycling, and organics waste cart	
Standard Rates	
- 35-gallon refuse cart	$26.04
- 64-gallon refuse cart	$32.09
- 96-gallon refuse cart	$38.50

ATTACHMENT 2

EXHIBIT 2A

MAXIMUM RATES

Rates for Single Family Residences that have an Organic Program. Following are the rates effective July 1, 2022:

Residential Service	Rate
Cart Service – one each refuse, recycling, and organics waste cart	
Standard Rates	
- 35-gallon refuse cart	$27.94
- 64-gallon refuse cart	$34.43
- 96-gallon refuse cart	$41.31

Response:

Rate schedule Exhibit 2A is transitional and will not be required at the start of the new agreement. Please note that under the new agreement rates for muti-family of five or less units with cart service will be equivalent to the SFD rates and rates for multi-family dwellings of more than five will be equivalent to the Commercial cart rates. The 2023/24 rate schedule for both residential and commercial services is included at Attachment A.

Question #3:

Regarding Curbside Used Oil and Oil Filter Collection and Door-to-Door HHW.

Handling hazardous materials of both types is not recommended especially oil in containers that may break and spill onto public property. HHW is also not recommended. Residents can be given free HHW cleanup event information sponsored by the County of Los Angeles.

In the event City still requests this service, what collection history is available for this service?

Response:

The City is requesting Door-to-Door HHW Service, Curbside Used Oil and Filter Collection, and assistance to the City in increasing awareness of Household Hazardous Waste events by promoting the Los Angeles County Household Hazardous Waste collections held in Diamond Bar.

The following data was provided by the existing hauler for 2022.

Waste Oil: 16 gallons
Oil Filters: Zero
At Your Door Program: 0.73 tons of trash; 9.35 Tons Recycled
E-Waste 16.6 Tons

Question #4:

Regarding the CalRecycle Compliance Fee, there may be an uneven allocation of this amount. Not sure if there is a forecasted level of activity in each sector to allocated this cost.

CALRECYCLE Compliance Fee: Contractor shall pay to the City a CalRecycle Compliance Fee of Seven-Hundred Fifty Thousand Dollars ($750,000) adjusted annually as described in draft Agreement Section

9.2 and 9.7. The CalRecycle Compliance Fee amount represents a reasonable allocation of the City's budgeted costs to comply with State mandates resulting from the enactment of AB 939 and subsequent related legislation including, but not limited to: AB 2176 (Chapter 879, Statutes of 2004), SB 1016 (Chapter 343, Statutes of 2008), AB 341 (Chapter 476, Statutes of 2011), AB 1826 (Chapter 727, Statutes of 2014), and SB 1383 (Chapter 395, Statutes of 2016) which require jurisdictions to implement solids waste Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements. Should the City issue separate franchises for Residential and Commercial services, each franchisee shall pay a minimum CalRecycle fee of Three-Hundred Seventy-Five Thousand Dollars ($375,000).

Response:

The AB 939 Fee were allocated based on historical proportionate payments of AB 939 Fees by the haulers.

Question #5:

Regarding the Bin Pushout Service, there needs to be a distance limit.

Response:

Proposer must prepare their proposal based on the requirements specified in the RFP. Proposers may submit alternative proposals for the City's consideration, however the City is under no obligation to review or consider any alternative proposal submitted.

Question #6:

Previous says no additional charge.

Regarding charges for additional services, the Contractor's proposed rate schedule shall include all charges for special services, including but not limited to:

- Additional carts.
- Scout service.
- Locking bins.
- Pulling or pushing containers to a collection vehicle.
- Steam cleaning containers (excluding carts) more frequently than one time per year as requested by the customer.
- Additional bulky item collection services.

Response:

Pulling or pushing containers to a collection vehicle shall be provided at no additional charge. Proposers may offer rates for any ancillary services that are not specifically listed or disallowed in the RFP or the draft agreement.

Question #7:

Regarding rate adjustments procedures, the labor category assumes there is a Labor Agreement such as with unions. Need to modify for non union.

Response:

Noted.

Question #8:

Draft Agreement call for a ten year contract with a 24 month extension. Would the City consider a 5 year extension or a rolling term? With the additional investment required for regulation(s) compliance most contracts awarded in the Southern California area are acknowledging that challenge and opting for longer terms or longer and multiple extensions.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #9:

RFP states: When language differs between the RFP Sections and the draft agreement (Attachment 1), please confirm that the language of the draft agreement prevails.

Response:

For clarification, the statement in RFP Section 1, Page 1 which states, “If there are differences between this RFP and the Agreement, the terms and conditions in the Agreement shall prevail” was intended to mean differences between the RFP and the final agreement. Should proposers find differences or during the proposal preparation process, those should be identified for further clarification.

Question #10:

Will the City please revise Attachment 6 to the RFP (for all three lines of business) to limit the disclosure requirements of the Rate Proposal Forms or clarify that proposers are not required to provide any information that contains protected intellectual property, confidential information, or proprietary information? The information requested in Attachment 6 to the RFP (for each line of business) includes information that is unrelated to this RFP or the services, as well as protected proprietary information. By way of example only, the information requested includes profit assumptions, direct and indirect wage and compensation related to Contractor’s employees, costs and expenses related rent, utilities, telephone, information technology, office supplies, bad debt, accounting, legal, public outreach, and payments to the City (other than franchise fees). The requested information is excessive and is not typically requested in an RFP bidding process and does not have bearing on responses by proposers.

Response:

The information requested is specifically related to the proposed services requested in the RFP. It is common for this information to be requested and based on SVM’s experience managing solid waste procurement for municipalities, this is information has always been provided. Personal information is not being requested. For Equipment R&M and allocated costs, proposers may enter lump sums instead of itemizing each cost. The cost information is needed to evaluate the reasonability of the rate proposal.

Question #11:

Agreement Section 1.1, Section 14.5, Section 14.6. Will the City revise these sections to permit an assignment by Contractor to an affiliate having the same corporate parent entity? Transfer of Contractor’s obligations to a subsidiary or sister company will have no effect on the quality or timing of services provided.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City’s consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #12:

Section 1.30. Will the City please add Excluded Waste to the definition of Container Contamination for clarity? This section includes "non-Solid Waste items" but doesn't specify that Excluded Waste is prohibited.

Response:

The City is agreeable to adding Excluded Waste. Nevertheless, please provide proposed substitute language as required under Section 5 of the RFP.

Question #13:

Section 1.59. As drafted the definition of Organic Waste is overly broad and includes material that is not acceptable for processing by the applicable facilities. In addition, some of the products defined here are treated as solid waste (e.g. organic textiles and carpets) or recyclables (e.g. paper products, and printing and writing paper). Will the City revise this section accordingly or confirm that it will discuss reasonable revision to this definition in negotiations to correctly allocate these items into their proper definitions?

Response:

The intent is to ensure compliance with AB 341, AB 1826, and SB 1383. Proposers may describe their services and list the materials that will be included or excluded from the program. The final agreement will be modified to reflect the programs described by the successful hauler.

Question #14:

Section 1.65. This definition is unclear and includes three total definitions: a contract definition (Exhibit 4) and conflicting statutory definitions. Will the City please revise this definition to state that Recyclables are just those items included in Exhibit 4 for clarity and consistency.

Response:

The intent is to ensure compliance with AB 341, AB 1826, and SB 1383. Proposers may describe their services and list the materials that will be included or excluded from the program. The final agreement will be modified to reflect the programs described by the successful hauler.

Question #15:

Section 1.74. This definition is similar but not identical to the definition in Public Resources Code Section 40191 or Municipal Code Section 8.16.020. Will the City please revise to align this definition with applicable law?

Response:

Under review.

Question #16:

Section 2.1. Will the City please revise this section to state: "Contractor agrees to and shall timely take all actions that are reasonably necessary to defend the validity and enforceability of this Agreement and shall pay all costs related to such defense in accordance with Section 11.1." for consistency with the indemnity provisions of this Agreement?

Response:

Under review.

Question #17:

Section 2.5. Will the City revise this section to provide for extension of the term upon written agreement with the Contractor? Unilateral extension rights do not permit Contractor to meet and confer with the City to discuss or account for circumstances on the ground that may warrant amendment to the agreement and places an undue and burden on Contractor.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #18:

Section 2.7. As written, this section includes prospective and on-going obligations of Contractor, which by definition cannot be conditions precedent to effectiveness of the Agreement. Because these prospective and on-going obligations are addressed in subsequent sections of the agreement, will the City permit revision to this section during negotiations to remove such prospective and on-going obligations?

Response:

Under review.

Question #19:

Section 2.9(A). Sold or donated Organic Waste should not be exempted from the franchise because unlike recyclables it is a putrescible waste and not a commodity, and therefore is subject to the solid waste laws and regulations. In addition, opening the door to exempting Organic Waste from the scope of franchise agreements will lead to conflicts with the diversion goals, indemnity obligations, and potentially SB 1383 requirements including reporting, for example. As such, will the City remove this organics exemption?

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #20:

Section 2.10. As drafted, this section suggests that Section 2.10.2 and Section 2.10.3 provide a rate adjustment mechanism for City directed changes. However, these sections do not provide for an adjustment mechanism, only certain circumstances under which adjustments are made. Will the City please revise this section to clarify how adjustments will be made, or in the alternative, permit revision to the agreement during negotiations to clarify how such adjustments are made?

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #21:

Section 3.2.13. Will the City please clarify whether the give-a-way is intended to be of mulch (as in the Agreement), or of compost (as on p. 7 of the May 3, 2023 version of the RFP), or some combination of both? The type of recovered organic waste product has different cost implications.

Response:

The Draft Franchise Agreement is correct. This requirement is for a mulch give-away.

The City is required to procure 4,537 tons of recovered organic waste annually through December 31, 2026. The City can meet its procurement requirement by contracting with the hauler that uses or gives away organic end products on the City's behalf. To this end, proposer may offer compost give-away service. The mulch give-away requirement may be combined with any proposed assistance to the City with procuring recovered organic waste products as addressed in RFP Section 3.8.

Question #22:

Section 3.4. Will the City provide a historical breakdown of estimated annual hauls and tons by material type for temporary and permanent Roll-Off Box customers? Form 2.3 appears to ask for this differential pricing and appears to be in conflict with this section.

Response:

The City does not have the annual hauls and tons by material for temporary and permanent roll-off box customers. **PLEASE NOTE: Only provide the proposed rates in Column B**. **Service assumptions for**

Column D in Form 2.3 Roll-Off Rates are no longer required. Roll-Off and On-Call services will be evaluated on a per unit prices basis. Roll-Off and On-call services revenue will not be used to evaluate total revenue requirement. Accordingly, sections that request cost information for Roll-Off and On-Call services do not need to be filled in.

Row 1 in Form 2.3 Roll-Off Rates is requesting rates for both permanent and temporary services. Row 2 is requesting the same for customer owned equipment (roll-off boxes, compactors).

Question #23:

Will the City consider differentiating fees for open top vs. compactor Roll-Off Box services, as the latter require additional service time?

Response:

Proposer must prepare their rate proposal based on the term specified in the RFP. Proposers may propose alternative proposals for the City's consideration, however the City is under no obligation to consider or review any alternative proposal submitted.

Question #24:

Section 3.6. Will the City clarify that for Bulky Item Pickups that exceed the four Bulky Item limit for each pick up, Contractor may charge the applicable fee on the approved rate schedule?

Will the City clarify that the cubic yards measure of Bulky Items (as on p. 6 of the May 3, 2023 version of the RFP) is specific only to bundled yard waste products? The RFP and Section 3.6 of the agreement appear to conflict as to the amount of acceptable Bulky Items, as some Bulky Items cannot be easily quantified by volume.

Response:

Contractor may charge a per item fee for each bulky item that exceeds four for each pickup. Contract may also charge a per event fee for each pickup event that exceeds four in a [calendar] year. Each event over four includes four items at the same rate.

The reference in the RFP allowing customers to put out up to 3 cubic yards of material may be removed. It was intended to refer to Refuse Cart Overage requirement in page 5 of the RFP and in Section 3.2.3 in the Draft Agreement.

Question #25:

Section 3.7.1. Will the City provide a list of current and potential City locations to be serviced under this Agreement?

Will the City please revise this section to provide that the parties will meet and confer once every two years to assess the scope of services provided at City Facilities, and any appropriate rate adjustments related to increased services at those facilities? As written, this section is unrestricted as to the amount of service and the number of facilities, which is unduly burdensome on the Contractor.

Response:

The list of facilities was provided with RFP as Attachment 5. This requirement is standard in Franchise agreements in California.

Question #26:

Section 3.7.2. Will the City please revise this section to clarify that Contractor shall provide services under this Section for only events organized and staffed by the City, and that City-sponsored events, organized and staffed by third parties, are excluded from this section and shall receive service from Contractor in accordance with Section 3.7.6?

Will the City agree to a set maximum number of events on an annual basis? As written, this section is unrestricted as to the number of events which creates an undue burden on the Contractor. In the alternative, will the City revise this section to permit rate adjustments for changes to the scope of services or addition of events serviced by Contractor under this section?

Will the City clarify whether Organics Carts and Bins provided by Contractor will be primarily intended for and used exclusively by vendors under this section? Containers at public events are often extremely contaminated resulting in significant costs to remediate.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #27:

Section 3.7.6. Will the City clarify that recycling services provided under this section to Large Venues are provided under separate agreements? This section is unclear as drafted.

Response:

Under review.

Question #28:

Section 4.1.6(A) and (B). Will the City please change the period of overage incidents from a six-month period to a rolling twelve-month period? A rolling twelve-month period results in more consistent monitoring and correction of behavior.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #29:

Section 4.1.12. Will the City please revise this section to clarify that nothing in this section requires Contractor to provide any confidential information, proprietary information, or protected intellectual property of Contractor?

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #30:

Section 4.1.13. Will the City please replace instances of "Hazardous Material" with "Excluded Waste" (as defined in Section 1.43)? Excluded Waste is the appropriate defined term to use in this section.

Response:

Agreed. Please include in proposal as substitute language.

Question #31:

Section 5.1. Will the City please revise this Section to clarify that Contractor will cooperate with the City in any audits or investigation of such quantities "in accordance with the terms of this Agreement"?

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #32:

Section 5.3. Will the City revise this section to remove the obligation that Contractor disclose the revenue generated from Recyclables? Where Recyclables are sold, and for how much, is protected proprietary information.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #33:

Section 6.2.5. Will the City revise this section to clarify that disputes may be resolved reasonably by the City? In addition, will the City make the second paragraph mutual regarding the Contractor's rights or remedies in any dispute with a third party? It is foreseeable that Contractor may have claims against third parties that cannot be contractually limited.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #34:

Section 8.1. Will the City revise this section to state that Contractor shall conduct the data collection, information and recordkeeping, and reporting activities under this Agreement and as required by Applicable Law in its performance of obligations under this Agreement? As written, this section is vague and confusing and is so generalized it makes it impossible for Contractor to determine, and ultimately perform, its obligations under Article 8.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #35:

Section 8.2 and Section 8.3. The scope of financial records required to be disclosed under these sections, particularly Section 8.2.2 and Section 8.3.4, is too broad and requires disclosure of confidential information, proprietary information, and protected intellectual property. Please revise this section, or confirm that the City is willing to discuss language during negotiations, to limit the scope of records, to provide for review but not possession by the City of confidential or proprietary information, and to include protections for Contractor's confidential information, proprietary information, and protected intellectual property.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #36:

Section 8.2.7. Will the City remove the 90-day limitation for undercharges? This is unnecessarily punitive to Contractor where we are billing on a quarterly basis.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #37:

Section 8.3.2(G). This section requires additional reporting above and beyond what is required by the Agreement or by CalRecycle. Will the City add language that the additional reports must be "readily available and related to Contractor's performance of this Agreement"? In addition, will the City add language that Contractor is entitled to compensation for preparing reports that may be reasonably required but contain information or data not readily available to Contractor from records it is required to maintain under this Agreement? Preparation of additional reports requires substantial investment of Contractor's resources to prepare.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #38:

Section 8.3.3(G). Will the City revise this section to clarify that RNG, as defined under SB 1383, is not available for commercial use in the City, but may be utilized by Contractor at such time as it becomes commercially available in the City?

Response:

The RFP does not require the use of RNG vehicles (Refer to Addendum #1 RFP section Collection Vehicle Requirements page 11. Section 8.3.3(G) is a reporting requirement only If there something to report.

Question #39:

Section 8.4. Will the City revise this section to limit this section only to those reports, pleadings, applications, notifications, Notice of Violation, communications, or other material relating to Contractor's performance of services under this Agreement that would limit or prohibit Contractor's performance of this Agreement? As written this section is too broad and includes all routine and ordinary communications to such agencies that otherwise have no bearing on Contractor's performance under this Agreement.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #40:

Section 10.3. Will the City please revise this Section to state that any excess adjustment that has not yet been applied to the rate in the final year of the Term will be implemented in the final rate year? In addition, will the City clarify that should any CPI adjustment result in a negative rate adjustment, the adjustment for that year shall be 0%, and any negative adjustment will be rolled over to be applied to the subsequent year?

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #41:

Section 10.5. Will the City please revise this Section to state that if Contractor provides reasonable support and justification in its request for an extraordinary rate adjustment the City will not unreasonably deny the request?

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #42:

Section 11.1.1, Section 11.1.3, and Section 11.3.

Will the City revise these sections to permit Contractor to select counsel for its indemnity obligations under the Agreement? As the party defending claims under these sections, it is paramount that the Contractor is able to choose its counsel provided such counsel is reasonably acceptable to the City. Further, the City has the right to choose its separate counsel under Section 11.3 if it would like to participate in the defense of any claim, so it is appropriate that Contractor be able to appoint counsel its counsel.

Will the City please revise this section to clarify that Contractor's indemnity obligations are limited to the extent permitted by Applicable Law, including without limitation, Public Resources Code Section 40059.1?

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #43:

<u>Section 11.1.2.A</u>. Will the City please revise this section to clarify as follows:

…that arise out of or are alleged to arise out of or in any way relate to any action, inaction or omission of Contractor <u>in its performance under this Agreement</u> that:…"

It is appropriate to clarify the scope of the indemnity under this section to Contractor's performance under the Agreement.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #44:

<u>Section 11.1.3</u>. Will the City revise this section to remove the first sentence regarding unconditional guarantees of compliance with the requirements of AB 939? It is not possible for any proposer to make this guarantee as written, as the agreement contemplates circumstances where performance under the agreement might be excused, such as Section 13.8.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #45:

<u>Section 11.6</u>. Will the City revise this section to remove the requirement that Subcontractors meet the insurance requirements under the Agreement, as Subcontractors are unlikely to be able to meet these requirements. Subcontractors will also have insurance, but it is unlikely to be in the amounts required by the City in Article 11.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #46:

<u>Section 11.8</u>. Will the City permit reasonable and mutually agreeable changes to the insurance provisions of this Agreement during negotiations to align the requirements with the policies held by proposers?

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #47:

<u>Section 12.1</u>. Will the City discuss reasonable revisions to Section 12.1 during negotiations with proposers? As written, this section is too broad and extremely burdensome on proposers—it is not reasonable, practical, or possible from a liability perspective for the City to take possession Contractor's equipment and property, require Contractor to maintain all such equipment and property, and employee Contractor's employees to perform the services if the Contractor is not able to perform as contemplated by this Section. It is more reasonable to revise this section to state that in the event that the City reasonably determines that the accumulation of waste endangers or menaces public health, safety, or welfare, the City may contract with a third-party to perform the services until such time as Contractor is able resume performance. The remaining sections of this Article must be revised to align with changes made to Section 12.1.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #48:

Section 13.1. Will the City discuss reasonable revisions to this Section during negotiations to remove duplicative events of default and clarify ambiguous standards of performance? Many of the events of default listed in this section are co-extensive with each other, leading to confusion and ambiguity about which standard applies.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #49

Section 13.2. Will the City revise this section to state that, for events that cannot reasonably be cured in ten (10) Business Days or thirty (30) calendar days, as applicable, will be resolved in a reasonable time as agreed by the parties? Some events of default may not be reasonably able to resolve in the time prescribed and flexibility in this regard benefits both Contractor and the City.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #50:

Section 13.5. In addition to the revisions in Section 8.2 and Section 8.3, this section explicitly requires Contractor to provide proprietary information to the City, which is unreasonable and unacceptable. Please revise this section or confirm that the City is willing to discuss reasonable revision to this section during negotiations to clarify that Contractor shall provide immediate access to non-confidential, non-proprietary business records it is required to maintain under this Agreement. Contractor is not able to provide to or put in the City's possession confidential information, proprietary information, or protected intellectual property.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #51:

Section 13.7. Will the City please provide its basis for the amounts detailed in Section 13.7 and detail how the City determined these amounts were a reasonable estimate of damages for the alleged failure? Further, some damages listed in this section are determinable at the time of assessment and therefore cannot be liquidated damages by definition, making them unlawful penalties. Other penalties are unduly burdensome on Contractor or do not cite to particular sections of the Agreement so they are ambiguous as to the standards and obligations required to comply. Will the City permit mutually agreeable revisions to this Section during negotiations to resolve these issues?

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #52:

Section 13.8.1. Will the City revise the language below as follows:

The interruption or discontinuance of Contractor' s services caused by one (1) or more of the events excused shall not constitute a default by Contractor under this Agreement provided that other services in Diamond Bar (such as and without limitation electricity, gas, water, public transportation (including bus, tram, or train service), or Solid Waste Services) have been similarly disrupted as a direct result of the catastrophic event.

It is reasonable and foreseeable that a Force Majeure event contemplated by this Section would impact only solid waste services but would not impact other services delivered to properties in the City that are delivered by pipe or by cable, such as electricity, gas, or water. Rather, public transportation, which relies on the use of drivers and surface streets, is a much closer analog and is a more appropriate comparison. In the alternative, please remove the language above entirely.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #53:

Section 13.8.2. Will the City revise this section to state that Contractor will provide a contingency plan within fourteen (14) days of an event of labor unrest? Because the contingency plan depends on the facts and circumstances of the event of labor unrest, it is not practical to provide a contingency plan in advance of the event of labor unrest.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #54:

Section 14.9.

This provision, as drafted, conflicts with applicable data security and privacy laws, such as the California Consumer Privacy Act's protection of certain information and laws protecting trade secrets and business proprietary information. Will the City add language to this section clarifying that: (1) nothing in this Section requires Contractor to provide to the next contractor any confidential information, proprietary information, or trade secrets, which are otherwise protected under the Agreement; and (2) that any such transfer must comply with applicable laws, including, but not limited to, laws regarding data security and privacy laws?

Will the City remove the language requiring the Contractor to provide security codes used to access garages and Bin enclosures? Customers, not Contractor, provide means of access.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

Question #55:

Section 14.18. Consistent with Section 8.2 and Section 8.3, the scope of financial records required to be disclosed under this Agreement is unreasonably broad and requires disclosure of confidential information, proprietary information, and protected intellectual property. Please revise this section, or confirm that the City is willing to discuss language during negotiations to limit the scope of records, to provide for review but not possession of confidential or proprietary information, and to include the following language which is typical for provisions of this type:

Notwithstanding anything to the contrary, Contractor acknowledges that City is legally obligated to comply with the California Public Records Act ("CPRA"). City acknowledges that Contractor may consider certain records, reports, or information contained therein, which Contractor is required to provide to City under this Agreement, to be of a proprietary or confidential nature. In such instances, Contractor will inform City in writing of which records are considered propriety or confidential. At such time as City receives a request for records under the CPRA or Federal Freedom of Information Act or a subpoena or other court order requesting disclosure of records that are marked or identified by Contractor as proprietary or confidential, City shall notify Contractor of the request, subpoena or order and of City's obligation and intent to provide a response within 10 days. Contractor shall within five days either: (i) consent in writing to the disclosure of the records; or (ii) seek and obtain, at Contractor's sole cost and expense, the order of a court of competent jurisdiction staying or enjoining the disclosure of the records.

Response:

As per Section 5 of the RFP, proposers may propose alternative language in the Draft Agreement for the City's consideration, however the City is under no obligation to accept it. Negotiations will be limited to section for which proposers offer alternative language.

City of Diamond Bar
Monthly Collection Rates

Residential Rates Approved for July 1, 2023-June 30, 2024

Container Size	Monthly Rate
Standard service with 35-gallon refuse cart	$31.09
Standard service with 64-gallon refuse cart	$38.31
Standard service with 96-gallon refuse cart	$45.96
Senior service with 35-gallon refuse cart	$26.76
Senior service with 64-gallon refuse cart	$33.03
Senior service with 96-gallon refuse cart	$39.40
Multi Family (MF) Standard service with 35-gallon refuse cart	$29.07
MF Standard service with 64-gallon refuse cart	$35.82
MF Standard service with 96-gallon refuse cart	$42.98
MF Senior service with 35-gallon refuse cart	$25.02
MF Senior service with 64-gallon refuse cart	$30.89
MF Senior service with 96-gallon refuse cart	$36.84
Additional 35-gallon refuse cart	$8.56
Additional 64-gallon refuse cart	$12.83
Additional 96-gallon refuse cart	$17.15
Additional Recycling Cart (beyond 2 carts)	$2.40
Additional Green Waste Cart (beyond 1 cart)	$6.06
Backyard Service Surcharge	$28.40
Yard Waste Reduction Discount	$4.12
Additional Special Overage Pickup >2 per year	$11.56
Additional Bulky Item Pickup > allowed free	$43.34
Cart Exchange (after free exchange period)	$21.69
Emergency Service rates - 1 crew & 1 Trk / HR	$122.85

City of Diamond Bar
Monthly Collection Rates

Residential Rates Approved for July 1, 2023-June 30, 2024

Multifamily Rate Tables without Organic Services	**Monthly Rate**
Container Size	
Multi Family Standard service with 35-gallon refuse cart	$27.39
MF Standard service with 64-gallon refuse cart	$33.75
MF Standard service with 96-gallon refuse cart	$40.49
MF Senior service with 35-gallon refuse cart	$23.57
MF Senior service with 64-gallon refuse cart	$29.10
MF Senior service with 96-gallon refuse cart	$34.71

City of Diamond Bar
Monthly Collection Rates

Residential Rates Approved for July 1, 2023-June 30, 2024

Roll-off Box Charges	Rate
Standard Roll-Off Box - Rate per pull (including container rental)	
12 to 16 yard	$278.52
25 to 30 yard	$267.73
40 to 45 yard	$259.18
Compactor Roll-Off Box – Rate per pull (excluding compactor rental)	
30 yard	$413.91
40 yard	$462.28
Container Rental Fee – for use in Excess of 7 days without being serviced	$33.09
Processing Per Ton	$86.73
Temporary Roll-Off Box, 40 yard – rate includes container rental, pull and disposal up to 6 tons	$739.29
Temporary Roll-Off Box, Low Boy – rate includes container rental, pull, and disposal up to 6 tons	$784.18
Roll-Off Box Cleaning (above one per year)	$150.33
Redelivery/Return Trip Fee/Dry runs – roll-off box	$194.66

City of Diamond Bar
Monthly Collection Rates

Commercial Rates Approved for July 1, 2023-June 30, 2024

Container Size	Pickups per week						
	1	2	3	4	5	6	Extra Empty
1.5 Cubic Yard	$116.93	$192.17					
extra bin (2)	$105.24	$172.95					
2 Cubic Yard	$133.92	$232.18	$317.41	$410.76	$509.06	$594.29	$51.12
extra bin (2)	$120.51	$208.95	$285.68	$369.70	$458.16	$534.85	
3 Cubic Yard	$165.80	$274.87	$385.95	$501.08	$614.18	$749.59	$59.20
extra bin (2)	$149.21	$247.35	$347.36	$450.96	$552.78	$674.64	
4 Cubic Yard	$209.91	$337.83	$468.66	$667.48	$798.32	$969.71	$67.31
extra bin (2)	$188.90	$304.04	$421.77	$600.72	$718.50	$872.75	
6 Cubic Yard	$250.56	$413.90	$579.35	$842.02	$1,005.40	$1,214.53	$78.18
extra bin (2)	$225.50	$372.52	$521.41	$757.84	$904.86	$1,093.09	
Organics Cart	$49.88	$99.74	$149.62	$199.49	$249.37	$299.24	
Recycling – 96 gal.	$21.89						
Recycling – 1.5 yd.	$49.75	$79.23					
Recycling – 2 yd.	$57.11	$95.78	$127.10	$163.98	$202.70	$235.81	
Recycling – 3 yd.	$82.92	$127.82	$178.40	$231.03	$282.66	$345.54	
Scout Service (3)	$83.81	$199.69	$299.54	$399.39	$499.23	$599.07	
Bin Charges	**Rate**						
Temporary Bin – 3 cubic yard	$166.77	pull					
Temporary Bin – 6 cubic yard	$205.99	pull					
Bin Cleaning (over one per year)	$67.15						
Locking Bin, per bin per month	$14.56						
Redelivery/Return Trip Fee	$129.93						

City of Diamond Bar
Monthly Collection Rates

Commercial Rates Approved for July 1, 2023-June 30, 2024

Roll-off Box Charges	Roll-off Box Charges	Rate
Standard Roll-Off Box - Rate per pull (including container rental)		
12 to 16 yard		$278.52
25 to 30 yard		$267.73
40 to 45 yard		$259.18
Compactor Roll-Off Box – Rate per pull (excluding compactor rental)		
30 yard		$413.91
40 yard		$462.28
Container Rental Fee – for use in Excess of 7 days without being serviced		$33.09
Processing Per Ton		$86.73
Temporary Roll-Off Box, 40 yard – rate includes container rental, pull and disposal up to 6 tons		$739.29
Temporary Roll-Off Box, Low Boy – rate includes container rental, pull, and disposal up to 6 tons		$784.18
Roll-Off Box Cleaning (above one per year)		$150.33
Redelivery/Return Trip Fee/Dry runs – roll-off box		$194.66
	Additional Service Charges	**Rate Per Service**
Multi-Family Bulky Item Pickup – each pickup above four per year of up to four items. (per item)		$40.42
Emergency Service Rates – one crew and one collection truck (per hour)		$114.47

REQUEST FOR PROPOSALS

FOR

SOLID WASTE SERVICES

ADDENDUM #3

Issued by

CITY OF DIAMOND BAR CALIFORNIA

Prepared by:

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July 31, 2023

This addendum #3 to the RFP for Solid Waste Services consists of answers to questions submitted by proposers since the release of addendum #2 on July 20, 2023.

To date, the following items have been distributed to proposers.

1. RFP: May 3, 2023
2. Notification #1: May 15, 2023
3. Addendum #1: July 12, 2023
4. Addendum #2: July 20, 2023
5. Addendum #3: July 31, 2023

Reminder: Proposers must acknowledge receipt of all addenda in their proposals. This can be done in the cover letter.

You may continue to send technical questions regarding the worksheets to DiamondBarRFP@sloanvazquez.com or by calling Enrique Vazquez at 626-347-3226. Also, if there are questions that arise during the preparation of the proposals, you may submit additional questions and every attempt will be made to respond to them. However, there is no guarantee that further questions will be answered. Proposer must continue the preparation of their proposals with the information provided thus far.

RESPONSES TO QUESTIONS

Question #1:

I see the new res rates on the addendum. Do these effectively replace the RFP #'s or are they still transitional rates? There's a big jump. I take it this includes full organics program rates?

Addendum #2 ATTACHM

IOND BAR
CALIFORNIA

City of Diamond Bar
Monthly Collection Rates

Residential Rates Approved for July 1, 2023-June 30, 2024

Container Size	Monthly Rate
Standard service with 35-gallon refuse cart	$31.09
Standard service with 64-gallon refuse cart	$38.31
Standard service with 96-gallon refuse cart	$45.96
Senior service with 35-gallon refuse cart	$26.76
Senior service with 64-gallon refuse cart	$33.03
Senior service with 96-gallon refuse cart	$39.40

RFP…

Service Description	Monthly Rate
Single-Family Dwelling - 35 gallon trash cart	$26.04
Single-Family Dwelling - 64 gallon trash cart	$32.09
Single-Family Dwelling - 96 gallon trash cart	$38.50
Single-Family Dwelling - 35 gallon trash cart - senior discounted	$22.41
Single-Family Dwelling - 64 gallon trash cart - senior discounted	$27.67
Single-Family Dwelling - 96 gallon trash cart - senior discounted	$33.00

Response:

The rates entered into the worksheets reflected the approved rates at the time the RFP was prepared and were entered into the worksheets to serve as an example of how to use the worksheet.

The addendum #2 provided the most current approved rates to inform you of the most recent approved rates.

Proposers should enter their proposed rates into the worksheets.

There are no programmed transitional adjustments. All future adjustments to existing agreements will be based on the procedures in the agreements.

Question #2:

Are we allowed to submit one bid package and just break out Citywide, Com, and SFD? Or do we need a separate bid package for each?

Response:

You may submit proposals for

1) Commercial only (Fill in Attachment 6 Commercial Forms),
2) Residential only, (Fill in Attachment 6 Residential, or
3) Both residential and commercial (Fill in Attachment 6 Citywide).

If you submit option 3, you don't have to submit option 1 and 2.

Question #3:

In Form 2.2 for recycling, the non-red cells are marked at 50% of trash rate, the red cells do not have a formula. Is this correct?

Row	Container Type/Size	Proposed Monthly Rates for Recycling Containers						
		Frequency of Collections per Week						Additional Pick Up
		1	2	3	4	5	6	
19	70 Gal Cart	$20.54	$0.00					$0.00
20	98 Gal Cart	$20.54	$0.00					$0.00
21	1.5 cubic yard - 1st bin	$54.87	$90.18	$0.00	$0.00	$0.00	$0.00	$0.00
22	1.5 cubic yard - each addl	$49.39	$81.16	$0.00	$0.00	$0.00	$0.00	$0.00
23	2 cubic yard - 1st bin	$62.84	$108.95	$148.95	$192.75	$238.88	$278.87	$23.99
24	2 cubic yard - each addl	$56.55	$98.05	$134.06	$173.48	$214.99	$250.98	$0.00
25	3 cubic yard - 1st bin	$77.80	$128.99	$181.06	$235.13	$288.21	$351.75	$27.78
26	3 cubic yard - each addl	$70.02	$116.07	$163.00	$211.62	$259.39	$316.58	$0.00

Red cells in organics are not formula driven…the others are referencing the trash rates values.

Row	Container Type/Size	Proposed Monthly Rates for Organics Containers						
		Frequency of Collections per Week						Additiona Pick Up
		1	2	3	4	5	6	
28	70 Gal Cart	$46.81	$93.61	$140.42	$187.22	$234.03	$280.84	$0.(
29	98 Gal Cart	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.(
30	2 cubic yard - 1st bin	$109.74	$180.35	$0.00	$0.00	$0.00	$0.00	$0.(
31	2 cubic yard - each addl	$98.77	$162.31	$0.00	$0.00	$0.00	$0.00	$0.(
32								

Didn’t want to touch the aqua cells.

Response:

Commercial recycling container rates shall not exceed 50% of the rate proposed for the equivalent container size and frequency for trash collection.

In Form 2.2, the recycling container rates beginning in row 19 shall not exceed 50% of the rate proposed for the equivalent container size and frequency proposed for trash collection in rows 1 through 12. If proposer is offering less than 50% than the rate proposed for trash collection, then enter the proposed rate directly into the cell. Otherwise, either enter 50% of proposed trash rate or enter formula that calculates 50% of the equivalent rate in rows 1 through 12.

Organics container rates shall not exceed the rate proposed for the equivalent container size and frequency for trash collection.

In Form 2.2, the organic container rates beginning in row 28 shall not exceed the rate proposed for the equivalent container size and frequency proposed for Trash collection in rows 1 through 12. If proposer is offering less than the rate proposed for trash collection, then enter the proposed rate directly into the cell. Otherwise, either enter rate equal to the proposed trash rate or enter formula the calculates 100% of the proposed trash rates entered in rows 1 through 12.

City of Diamond Bar

REQUEST FOR PROPOSALS FOR

SOLID WASTE SERVICES

Final Report

Evaluation and Scoring of Proposals

Prepared by:

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November 30, 2023

SloanVAZQUEZMcAFEE
MUNICIPAL SOLID WASTE ADVISORS

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1. OVERVIEW

On May 3, 2023, The City of Diamond Bar released a Request for Proposals (RFP) to solicit proposals for solid waste services from Valley Vista Services (VVS) and Waste Management, Inc. (WM). By issuing the RFP for solid waste services, the City sought to competitively procure franchised solid waste services.

A draft solid waste services franchise agreement (Agreement) was included with the RFP that provides definitions, contract terms, and conditions, including a complete description of the services to be provided.

Currently, solid waste services are provided under a Residential Cart Customer Franchise Agreement with WM and a Commercial Bin and Roll-Off Box Franchise Agreement with VVS.

WM provides collection services to residential premises that receive residential collection using carts and for temporary roll-off box and temporary bin collection service for cleanup or construction work performed at residential customers to whom WM provides collection service using carts. Temporary collection service for the construction of new residences, and all work on commercial premises, and residential premises that receive collection service using bins, are excluded from WM’s franchise agreement.

VVS provides collection services to commercial premises and all residential premises that receive collection using bins and including temporary bin and temporary roll-off box collection service with the exclusion of residential premises that receive collection service using carts.

VVS and WM were exclusively invited to present a proposal to provide solid waste service to their respective service area under the existing franchise agreements as well as a proposal to provide City-wide solid waste services including residential, commercial, and permanent roll-off and on-call services.

The City reserves the right to invite additional proposers prior to making a final decision in the selection of a contractor or contractors should the City determine that proposals received from VVS and WM are inadequate to meet the City desired goals.

The City is seeking service provider(s) who can deliver efficient service while meeting the recycling diversion targets set by the City and all requirements of State mandates. The successful contractor will be required to execute a franchise agreement with the City. The franchise agreement will be based on the Draft Agreement included with the RFP and may be modified to reflect the final negotiated terms and conditions of service. (e.g., the optional programs selected; agreed upon exceptions to the draft agreement, etc.). Services under the new agreement will commence on September 1, 2025, unless otherwise agreed upon.

1.1 RFP Goals

As part of the development of the RFP, the City established key process and program goals. These goals reflect the priorities and expectations of the City for the implementation of the RFP process, and the City's goals and objectives for future collection services.

Process Goals: Integrity, Competition, and Industry-Standard Contract Terms

- Conduct the RFP process with integrity and transparency.
- Stimulate competition among proposing companies.
- Set high performance standards.
- Ensure value for ratepayers.
- Enter contract with fair terms and conditions.

The City's approach has been conducted with integrity and transparency. The RFP has resulted in the submission of competitive proposals with several alternative proposals.

A. Program Goals: Quality, High-Value Programs

- Consistent, reliable, and quality service
- Efficient service delivery that provides a strong value to the ratepayers
- Responsive customer service system
- Well-planned and professionally executed transition to any new programs and services.
- Quality outreach and education

B. State Diversion Requirements

A program goal of special note is the City's desire to procure effective diversion programs to ensure compliance with regulatory requirements. The impact of the new State Law cannot be understated. SB 1383, targeting short-lived climate pollutants, includes numerous new requirements. The regulations are highly prescriptive, with many detailed requirements. To ensure compliance with the requirements, the state sets penalties on jurisdictions, haulers, and waste generators, ranging from $50/violation to $10,000/day. The legislation explicitly affirms that funding from the State is not required and therefore implementation will require new revenues and will have rate impacts.

The City required proposers to include the programs and services necessary to meet the new requirements associated with SB 1383, as well as existing mandates. These requirements include the collection of organics (green waste and food waste) from residential, multi-family and commercial businesses; extensive outreach, education, documentation and reporting requirements; and program monitoring activities to evaluate effective program participation (I.e. does the amount of trash contaminating organics exceed the allowed levels).

1.2 Participating Proposers

Proposers were invited to submit three separate rate proposals: 1) for residential sector only, 2) for commercial sector services only, and 3) for both the residential and commercial sectors or citywide services. Both VVS and WM submitted proposals on the established due date of August 30, 2023.

WM submitted the three separate rate proposals and in addition submitted an alternative rate proposal for residential only and an alternative for citywide services. VVS submitted a citywide rate proposal and clarified that their proposal included consideration for a residential only and a commercial only option. The alternative proposals will not be evaluated at this time, however, should the City opt to negotiate with WM, the alternative proposal will then be evaluated for consideration.

The following is a brief description of each company.

Valley Vista Services (VVS): VVS is a privately held company owned and operated by the Perez family. Based in City of Industry, CA., VVS was formally incorporated in 1957 but has been in business since 1957 when Manuel Perez procured his first truck and established City of Industry Disposal. VVS cited five jurisdictions to which it currently provides solid waste services under franchise agreements. The Perez family also owns and operates Grand Central Recycling, Inc. (GCR), a separate corporate entity that serves as a transfer station and material recovery facility.

Waste Management (WM): WM with corporate headquarters in Houston, TX, is North America's largest waste hauler and recycling processor. WM also maintains a local headquarters in Baldwin Park, CA. The company has provided similar services to more than 100 jurisdictions in Southern California for over 40 years. Nationwide, WM's 43,000 employees serve more than 21 million customers throughout the U.S. and Canada. WM has been providing collection services in the City of Diamond Bars for over thirty years.

2. EVALUATION PROCESS

Currently, WM provides solid wastes collection services only to the residential sector and VVS only to the commercial sector.

By requesting for separate proposals for services to the residential sector only, the commercial sector only, and for citywide services from each proposer, this procurement process allows for the continuation of the current arrangement, that is, WM continues providing services to the residential sector and VVS to the commercial sector. But it also allows for reversing this arrangement with VVS providing services to the residential sector and WM to the commercial sector, or for granting an exclusive, citywide franchise to a single contractor. As a result, there are four Options for the City to select from resulting from the four possible combinations between VVS's and WM's proposals.

As listed in Table 1, Option 1 represents the current configuration, that is WM providing services only to the residential sector and VVS only to the commercial sector. Option 2 swaps the service sectors so that VVS provides services only to the residential sector and WM only to the commercial sector only. Under

Option 3, WM would provide citywide services under an exclusive franchise agreement. And under Option 4, VVS would provide citywide services under an exclusive franchise agreement.

Table 1: Proposer Combination Options

Sector	WM	VVS
OPTION 1 (Current)	Residential Only	Commercial Only
OPTION 2	Commercial Only	Residential Only
OPTION 3	Citywide	n/a
OPTION 4	n/a	Citywide

2.1 Evaluation Criteria

The evaluators consisting of Enrique Vazquez and other Sloan Vazquez McAfee (SVM) staff (the Evaluation Team) conducted an analysis and evaluation of the four Options based on the proposals submitted by each company on August, 2023 and other information submitted by proposers in response to requests by the Evaluation Team.

The Evaluation Team reviewed and scored each Option based on a 1,000-point scale using the evaluation criteria set forth in the RFP and the percentage weighting listed in Table 2.

Table 2: Evaluation Criteria and Maximum Evaluation Score

Technical Proposal Evaluation Criteria	Weighting	Available Points
Responsiveness to RFP	Pass/Fail	n/a
Proposer’s Qualifications and Experience	5.0%	50
Technical Qualifications	30.0%	300
Financial Resources	10.0%	100
Rate Proposal	50.0%	500
Exceptions to the Draft Agreement	5.0%	50
TOTAL	**100.0%**	**1,000**

Note: n/a = not applicable

The evaluation criteria, maximum score and scoring results are presented in Table 3. The six categories and their corresponding subcategories are described below.

Responsiveness (Pass/Fail)

Proposer must be fully compliant with the RFP and procurement procedures as demonstrated by submittal of all elements required by Sections 3 and 5 of this RFP; full completion of all rate proposal forms; compliance with process guidelines presented in Section 4; and adherence to the code of conduct signed by the proposer.

Proposer's Qualifications

- **Collection Experience**. Demonstrated experience of company providing the requested or similar services to other jurisdictions. If the proposer is a joint venture, demonstrated experience of parties working together.
- **Jurisdiction Satisfaction**. Satisfaction of proposer references with services received, including but not limited to, implementation, customer services, reporting, assistance developing diversion programs, and working cooperatively with City staff.
- **Management and Customer Service Systems**. Demonstrated capabilities of the company's existing management and customer service systems' abilities to track and monitor contract compliance, quality of collection service, and call center responsiveness.
- **Key Personnel Qualifications**. Extent and relevance of the qualifications and experience of key personnel proposed for the transition team and on-going management of collection operations.

Technical Qualifications

- **Implementation Plan**. Reasonableness of implementation schedule and ability to meet deadlines (e.g., reasonableness of equipment procurement schedules, implementation staffing levels, public education program, itemized steps for initiation, roll out and maintenance of diversion programs in all service sectors throughout the City, container/cart distribution, new corporation or maintenance yard development, contingency plans, etc.
    - Customer Service. Customer service approach, staffing levels, and City-specific training programs.
    - Billing System. Billing approach and procedures for handling customer billing activities.
    - Collection Approach. Reasonableness and reliability of the proposed collection methods (e.g., technology, equipment, and containers); reasonableness of productivity and operating assumptions (i.e., number of routes, route drivers, route hours, stops per route, and other operating statistics), if applicable; and reasonableness of assumptions.
- **AB 341, AB 1826, and SB 1383 Implementation Plan**. Completeness of proposed services, public education program, roll out and maintenance of diversion programs in all service sectors throughout the City, container/cart distribution.
- **Diversion Outreach and Education Programs**. The nature, reliability, and innovation of proposed diversion programs and potential of such programs to divert solid waste from landfill disposal and meet diversion requirements. Compatibility of the proposed education program, staffing level, and program ideas with the needs of the City; and, the quality of public education samples relative to other proposers. Likelihood of diversion programs to meet State-mandated outreach City of Diamond Bar, California Section 6. Proposal Evaluation RFP for Solid Waste

Services May 3, 2023 Page 32 and education, diversion monitoring and reporting and performance measurement requirements.

- **Proposed Operations Facilities**. Plan for providing the facilities needed for equipment storage and parking, maintenance, and administration. Level of assurance provided, if any, about site acquisition and timely development of necessary facilities if not proposing an existing, operational and permitted facility.
- **Proposed Disposal, Transfer, and Processing Facilities**. Reasonableness and reliability of the proposed facilities for disposal, transfer, and processing of solid waste, recyclable materials, and organic materials, including documentation of existing facility permitting/approvals and/or guarantee of sufficient capacity for tonnage from the City service area, and the reasonableness of proposed material transport plans.

Number And Materiality of Exceptions to the Agreement

The number, nature, and materiality of suggested changes to the Agreement will be considered in evaluating proposals.

Financial

- **Financial Stability**. Financial stability of proposer based on its financial ratios and other financial considerations.
- **Insurance**. Demonstrated ability of proposer to obtain adequate insurance.

Rate Proposal

- **Reasonableness of Rate Proposals**. The logical relationship between proposed rates and operational assumptions.
- **Competitiveness of Rate Proposals**. The competitiveness of the overall revenue requirement is evaluated relative to other proposals.

Evaluators allocated points on a percentage basis after reading, analyzing, and, if necessary, clarifying the responses of each proposer in each of the evaluation sub-categories. The scores assigned to each of the proposals reflect the extent to which the company fulfilled the requirements of the evaluation criteria and the extent to which each criterion was fulfilled relative to other proposals. For example, except for the “Rate Proposal” category, the response that evaluators deemed to be the most thorough, complete, responsive, and/or effective was awarded the highest rating of 100%. Then, the remaining proposals were scored based upon the evaluator’s determination of divergence (decline) from the best rated response. Several factors were measured in each evaluation category. In some cases, responses were deemed to be equal and were allotted the same scores.

3. FINDINGS

3.1 Evaluation Scores

The evaluation scores for each Option are presented in Table 3. Additional descriptions and analysis of the Options provided in **Sections 4 and 5**. Based on this evaluation, Option 4-WM Citywide scored the highest with 952 points out of 1,000. Option 2-VVS Resi/WM Comm came in second with 947 points out of 1,000. Option 3 and 1 came in third and fourth, respectively.

Table 3: Option Evaluation Score

Technical Proposal Evaluation Criteria	Available Points	Option 1 WM-RESI VVS-COMM	Option 2 VVS-RESI WM-COM	Option 3 VVS CITYWIDE	Option 4 WM CITYWIDE
Responsiveness to RFP	n/a	Pass	Pass	Pass	Pass
Proposer's Qualifications and Experience	50	49	49	50	48
Technical Qualifications	300	299	300	300	299
Financial Resources	100	90	90	80	100
Rate Proposal	500	440	460	453	460
Exceptions to the Draft Agreement	50	48	48	50	45
TOTAL	**1,000**	**926**	**947**	**933**	**952**
Ranking		**4**	**2**	**3**	**1**

3.2 Overview of Revenue Requirement and Proposed Rates

This section includes an overview of revenue requirements for each proposal and for each option or arrangement of residential, commercial, or citywide services between VVS and WM. A comprehensive analysis of proposed rates is provided in Section 4, and a description of the analysis of the rate proposal and revenue requirement is provided in Section 6.

The total revenue requirement by proposer for each proposal is provided in Table 4. Also included are the rate revenue[1] under the current franchise agreements, and comparisons of each rate proposal with the adjusted current rate revenue. Prior to the implementation of the new agreement contemplated with this RFP process, the current rates will be subject to an annual rate adjustment scheduled to take effect July 1, 2024. To allow for a more realistic comparison, the current rates have been adjusted by a

[1] Current rate revenue is based on current service rates and subscription levels as reported by each of the franchisees and does not include revenue from roll-off services, temporary services, and other permitted charges.

factor of 3.0%. The proposed rate under Options 1 through 4 would take effect September 1, 2025 and the first rate adjustment under the new franchise agreement (s) is scheduled for September 1, 2026.

The rate revenue comparison by proposer for residential only and commercial only is provided for informational purposes only as either of those options would require services from both VVS and WM.

Table 4: Total Rate Revenue Requirement by Proposal

			VVS			WM		
Proposal	Current WM-Resi VVS-Comm	Current Adj for Inflation 3%	Total	Diff From Current	% Diff From Current	Total	Diff	% Diff From Current
Residential Only	6,938,400	7,146,552	6,377,976	(768,576)	-10.8%	6,647,976	(498,576)	-7.0%
Commercial Only	2,435,692	2,508,763	3,628,889	1,120,127	44.6%	2,328,150	(180,613)	-7.2%
Citywide	9,374,092	9,655,315	10,006,865	351,551	3.6%	8,410,415	(1,244,900)	-12.9%

As already discussed, the proposed services can be configured into four possible combinations between VVS and WM, listed as Options in Table 1.

The total revenue requirements for these four options are presented in Table 5. Included are also the current rate revenue, adjusted rate revenue, ranking based on revenue requirement, dollar differences from the adjusted current rate revenue, and percentage difference from the adjusted current revenue.

Based on this measure only, WM's Citywide proposal or Option 4 with the lowest rate revenue requirement of $8,410,415 ranks #1. The proposed rate revenue requirement for Option 4 represents a 12.9% decrease to adjusted current rate revenue. It is notable that Option 4 proposes an overall rate revenue reduction of $1,244,900 or 22.9% to the residential sector with an overall increase of $393,004 or 15.7% to commercial rate revenue.

Option 2, with rate revenue requirement of $8,706,126, ranks as #2. Under Option 2, the haulers would swap sectors, with VVS providing services to the residential sector and WM to the commercial sector. The proposed rate revenue would increase by decrease by 9.8% over the adjusted current rate revenue with residential revenue decreasing by $768,576 or 10.8% and commercial rate revenue decreasing by $180,613 or 7.2%.

VVS's Citywide proposal or Option 3, with rate revenue requirement of $10,006,865, ranks #3, representing an overall rate revenue increase of 3.6% over adjusted current rate revenue with residential revenue decreasing by $768,576 or 10.8% and commercial rate revenue increasing by $1,120,127 or 44.6%.

Ranking fourth is Option 1 with total rate revenue of $10,276,865, representing an overall increase of 6.4% over adjusted current rate revenue. This option represents a continuation of the current configuration with WM providing services to the residential and VVS to the commercial sector. Residential rate revenue would decrease by $498,576 or 7.0% and commercial rate revenue would increase by 1,120,127 or 44.6% over adjusted current rate revenue.

Table 5: Revenue Requirement by Option

			Option 1	Option 2	Option 3	Option 4
Sector	Current WM-Resi VVS-Comm	Current Adj for Inflation 3%	WM-Resi VVS-Comm	VVS-Resi WM-Comm	VVS Citywide	WM Citywide
Residential	6,938,400	7,146,552	6,647,976	6,377,976	6,377,976	5,508,648
Commercial	2,435,692	2,508,763	3,628,889	2,328,150	3,628,889	2,901,767
Total	9,374,092	9,655,315	10,276,865	8,706,126	10,006,865	8,410,415
		Ranking	4	2	3	1
	Difference From Current Rate Revenue					
Residential			(498,576)	(768,576)	(768,576)	(1,637,904)
Commercial			1,120,127	(180,613)	1,120,127	393,004
Total			621,551	(949,189)	351,551	(1,244,900)
	Percentage Difference From Current Rate Revenue					
Residential			-7.0%	-10.8%	-10.8%	-22.9%
Commercial			44.6%	-7.2%	44.6%	15.7%
Total			6.4%	-9.8%	3.6%	-12.9%

3.3 City Fees

All proposals include payment of fees to the City as provided in Table 6.

Table 6: Annual City Fees by Sector

Fee Type	Residential	Commercial	Total
Franchise Fees	$287,000	$123,000	$410,000
Cal Recycle	$375,000	$375,000	$750,000
Residential Impact	$175,000		$175,000
Residential Street Sweeping	$175,000		$175,000
Total City Fees	$1,012,000	$498,000	$1,510,000

4. PROPOSED RATES

4.1 Residential Rates

Proposed rates for standard residential cart service are provided in Table 7. Additional rates for ancillary residential services are provided in Exhibit 1.

The first column in Table 7 provides the current rates followed by the adjusted rates and then the rates proposed under Options 1 through 4. As noted previously, the current rates will be subject to an annual rate adjustment scheduled to take effect July 1, 2024. The current rates have been adjusted by 3% to allow for a more realistic comparison.

WM's Citywide proposal or Option 4 offers the low lowest residential rates for a 64-gallon default cart service[2]. WM's proposed residential rates represent reductions from 9.5% to 24.1% from adjusted current rates for standard service and from 15.9% to 29.6% for senior service. VVS proposed the second lowest residential rates under Options 2 – residential only and Option 3 – citywide. VVS's proposed residential rates represent reductions from adjusted current rates from 6.7% to 15.3% for standard service and from 7.5% to 20.9% for senior service.

Table 7: Proposed Residential Rates

Rates Effective Date	1/2/2024	7/1/2024	9/1/2025			
			Option 1	Option 2	Option 3	Option 4
	Current WM-Resi VVS-Comm	Current Adj for Inflation 3%	WM-Resi VVS-Comm	VVS-Resi WM-Comm	VVS Citywide	WM Citywide
35-Gallon Cart	$31.09	$32.02	$29.54	$29.89	$29.89	$28.99
% Change from Current			-7.8%	-6.7%	-6.7%	-9.5%
64-Gallon Cart	$38.31	$39.46	$36.39	$35.39	$35.39	$29.93
% Change from Current			-7.8%	-10.3%	-10.3%	-24.1%
96-Gallon Cart	$45.96	$47.34	$43.66	$40.11	$40.11	$36.64
% Change from Current			-7.8%	-15.3%	-15.3%	-22.6%
35-Gallon Cart Senior	$26.76	$27.56	$26.58	$23.91	$23.91	$23.19
% Change from Current			-3.6%	-13.3%	-13.3%	-15.9%
64-Gallon Cart Senior	$33.03	$34.02	$32.76	$31.46	$31.46	$23.94
% Change from Current			-3.7%	-7.5%	-7.5%	-29.6%
96-Gallon Cart Senior	$39.40	$40.58	$39.30	$32.09	$32.09	$29.31
% Change from Current			-3.2%	-20.9%	-20.9%	-27.8%

4.2 Commercial Rates

A sample of current and proposed commercial rates for the most common commercial refuse collection services are provided in Table 8. The current rates will be subject to an annual rate adjustment effective July 1, 2024, a year prior to the start of the new agreement.

[2] Standard service includes three 64-gallon carts: trash, recycling, and organics. Residents may choose to reduce or increase their cart sizes according to their needs.

It should be noted that commercial rates cannot be fairly evaluated by comparing individual rates. The full value of commercial services is best evaluated by comparing the revenue requirement of the entire commercial sector based on proposed rates and subscription levels as provided in Table 5.

Table 8: Proposed Commercial Rates [3]

CURRENT						
SIZE	**1XWK**	**2XWK**	**3XWK**	**4XWK**	**5XWK**	**6XWK**
2 Yard Bin	$137.94	$239.15	$326.93	$423.08	$524.33	$609.03
3 Yard Bin	$170.77	$283.12	$397.53	$516.11	$632.61	$772.08
4 Yard Bin	$216.21	$347.96	$482.72	$687.50	$822.27	$998.80
OPTION 1 & OPTION 3: VVS CITYWIDE AND COMMERCIAL ONLY						
2 Yard Bin	$176.57	$326.29	$489.44	$652.58	$767.40	$874.96
3 Yard Bin	$197.73	$368.62	$552.93	$737.23	$873.21	$1,001.94
4 Yard Bin	$218.89	$410.94	$616.41	$821.88	$979.03	$1,128.92
OPTION 2: WM COMMERCIAL ONLY						
2 Yard Bin	$116.75	$210.15	$303.55	$396.95	$490.35	$525.32
3 Yard Bin	$144.54	$260.18	$375.81	$491.45	$607.08	$722.72
4 Yard Bin	$183.00	$329.40	$475.80	$622.20	$768.61	$915.01
OPTION 4: FROM WM CITYWIDE						
2 Yard Bin	$142.65	$256.76	$385.14	$513.53	$641.91	$770.29
3 Yard Bin	$176.60	$317.89	$476.83	$635.78	$794.72	$953.67
4 Yard Bin	$223.59	$402.47	$603.70	$804.94	$1,006.17	$1,207.41

5. PROPOSAL EVALUATION

This section provides an overview of the proposals submitted by VVS and WM. In Section 5.1, a summary of each company's proposal highlights is provided. Section 5.2 provides an overview of the findings for each evaluation criterion category for both companies.

5.1 Summary of Proposer Evaluation Highlights

The following summary provides highlights of the proposal evaluations:

[3] WM proposed rates are for the first bin. Second and additional bins are offered at a lower rate.

VVS

VVS submitted a comprehensive, high-quality proposal that was tailored to the City of Diamond Bar's requirements. The following highlights from the VVS proposal provide a brief overview of some of the primary differentiators.

Locally Owned and Community Focused. VVS described their family-owned business with over six decades of experience, local headquarters, customer service call center, and operating facilities. The company credits their commitment to "Satisfy the Customer at any Cost" as leading to their customers' satisfaction.

Local Infrastructure. VVS described their local infrastructure:

- **Grand Central Recycling, Inc.** (GCR) – A materials recovery facility owned and operated by the Perez family as a separate corporate entity that plays a pivotal role in advancing their comprehensive waste management strategy.
- **Proposed Organics Processing**. GCR will serve as a hub to manage the waste streams with a 38,850 square foot expansion scheduled to be completed by July 2024 and consisting of a $25M capital investment. This will add organics waste recovery capacity using the OREX (Organics Extrusion Press) Technology developed by Anaergia Corporation.
- **Kitchen Pails**. VVS will provide a 3-gallon lidded, dishwasher-safe pail with introductory roll of pail liners and educational materials with clear program guidelines, detailing acceptable items for both the yard waste cart and the food waste pail to all SFDs and multi-family units.

Waste Management

WM also submitted a thorough, high-quality proposal, specialized for the City of Diamond Bar. The company emphasized its familiarity with the City while responding to the City's new requirements. The following highlights from the WM proposal describe some of the company's primary differentiators.

Routing Technology. WM described their eRouteLogistics software for developing, managing, and modifying routes. The software is used daily by the operations team to ensure that each route is well-maintained and adjusted to reflect new developments and changes in service levels, customer counts, and traffic patterns. eRouteLogistics displays customer locations in a user-friendly map through a variety of coloring and labeling options and allows users to visualize existing and future routes. Updated in near real-time, eRouteLogistics enables our route managers, drivers, dispatchers, and customer service representatives to resolve any questions or concerns our customers or municipal partners may have concerning routes.

Technology to Optimize Performance. WM described their operations framework, "Service Delivery Optimization" or SDO, which focuses on four pillars of performance: Safety, Service, Savings and Satisfaction. WM's technology is used to define, track and measure all aspects of operations to achieve continuous improvement. The company also emphasized their network of facilities which they described as strategically located near Mission Viejo.

<u>Effective Outreach and Education</u>. The company emphasized the importance of "innovative, personalized and proven" outreach and education to help customers in Mission Viejo navigate a major change in services, including the significant expectations that customers separate organics and recyclables as required by SB 1383. WM described an outreach and education campaign to engage customers throughout the term of the new agreement.

<u>Value, Partnership and Dedication</u>. WM described the cost effectiveness achieved through SDO technology and the proximity of their facilities, and how this gives them the ability to offer reasonable rates. WM emphasized their 30 years of experience in delivering on-time, reliable services and their ability to provide dependable services from day one of the new contract. The proposal also highlighted the company's stability as the largest service provider and ability to finance capital purchases and provide "gold-standard" insurance. Additionally, WM described the dedication of their local team and the service benefits associated with their knowledge of the City.

5.2 Overview of Analysis for each Evaluation Criterion

The following summary of findings provides highlights of the key proposal components that were considered in the evaluation process.

Proposer's Qualifications

<u>Collection Experience</u>. VVS and WM are both well qualified to provide service in the City of Diamond Bar. Each service provider offers extensive experience in Southern California and has the local infrastructure necessary to efficiently meet the City's needs.

VVS cited four cities in addition to Diamond Bar including the City of La Puente, City of Cypress, City of Walnut, and City of El Monte.

WM cited five cities including the City of Arcadia, City of La Verne, City of San Dimas, City of Baldwin Park, and Chino Hills.

<u>Jurisdiction Satisfaction</u>. VVS provided the reference list above from five jurisdictions all with service over eight years and the City of La Puente has been serviced over 29 years. WM provided the reference list above from five jurisdictions, four of which were all with service over twelve years and City for the Baldwin Park has been service for over 33 years. WM's City of Chino reference from WM was only one year old and described as the latest transition executed and transitioned in five months.

Both VVS and WM show longevity servicing these jurisdictions, which demonstrates jurisdiction stratification.

<u>Management and Customer Service Systems</u>, Both VVS and WM offer customer service systems capable of tracking and monitoring contract compliance, quality of collection service, and call center responsiveness. Each company is exceptionally equipped with quality, industry-specific systems capable of meeting the City's requirements for documentation, reporting, and billing.

Both companies included digital enhancements to the customer service experience including on-line chat, mobile application, expanded website capabilities, focus on social media and community outreach.

VVS included some new expanded customer service features:

- Our Customer Service representative team comprises multilingual representatives proficient in English, Spanish, Cantonese, Tagalog, Mandarin, and Vietnamese.
- VVS uses Cisco WebEx contract center ensuring tracking calls and wait times.
- Additional customer service features include live chat, mobile app, user-friendly website, social media.

WM included some new expanded customer services features:

- Interactive Voice Response (IVR) - self-service options online.
- Contact Back System – get a call back, no need to wait on hold.
- Live Chat support – online direct chat option.
- MY WM App – application for customer to pay bills and request and schedule service.
- Repeat Issues within two months, issues a ticket to management that requires accountability and ticket closure.

Key Personnel Qualifications. VVS and WM both employ exceptionally qualified personnel possessing decades of local industry experience.

VVS included summary resumes for 13 staff of which four had an percentage dedication to the City of Diamond Bar equaling to 1.8 full-time employees. In their rate proposal forms, which included a budget to support their proposed rates, VVS provided funding for 3.8 full-time employees excluding drivers.

WM included summary resumes for 19 staff of which 12 had a percentage dedication to the City of Diamond Bar equaling to 8 FTE. In addition, WM provided summary resumes for a senior leadership team of five. In their rate proposal forms, which included a budget to support their proposed rates, WM provided funding for 4.8 full-time employees, excluding drivers indicating a discrepancy between proposed FTE of 8 and budgeted FTE of 4.8.

Table 9: Proposer Staffing Overviews

VVS		WM	
Title	**%**	**Title**	**%**
Contractor Representative	10%	Public Sector Services Manager	100%
Operations Supervisor	50%	Public Sector Reginal Manager	25%
Client Services Manager	20%	Recycling Coordinator	25%

Additional Service Rep	100%	Sustainability Manager	100%
		District Manager	100%
		Roll-Off Route Manager	50%
		Residential Route Manager	50%
		Residential Route Manager	50%
		Commercial Route Manager	100%
		Operations Specialists	25%
		Contract Compliance Manager	25%
		Maintenance Manager	100%
Full Time Equivalents	**1.8**		**8.0**
Chief Financial Officer Controller Human Resources Manager Operations Manager Risk and Safety Manager Miantenance Manager Government Affairs Diversion Compliance Coordinator Social Media & Outreach Coordinator	Not Indicated	Area Customer Experience Manager Communications Senior Manager Centralized Dispatch Manager Route Managers SB 1383 Team of three Senior Leadership Team of 5	Not Indicated

Technical Qualifications

Implementation Plan. Each company prepared a detailed implementation schedule designed to meet the deadlines necessary to commence the new agreement on September 1, 2025. The plans were reviewed for reasonableness and completeness. Both VVS and WM proposed implementation schedules capable of achieving staffing levels, procurement of equipment, customer outreach and education program development and transition activities necessary to facilitate the transition to new services.

AB 341, AB 1826, and SB 1383 Implementation Plan. Both VVS and WM prepared detail summaries meeting compliance with AB 341 (Commercial Recycling), AB 1826 (Organics Recycling), and SB 1383 (Organics Waste Reduction). Each companies' proposals addresses planning, education, diversion, implementation, reporting, and ongoing monitoring to achieve successful compliance.

VVS and WM developed comprehensive programs to achieve the City's diversion goals, ensure regulatory compliance and respond to the new SB 1383 requirements. Each company proposed collection programs designed to achieve the performance standards set forth in the agreement. Additionally, the companies proposed the required dedicated recycling coordinator and prepared a detailed outreach and education strategy to inform customers of the new requirements, promote effective program participation and notify customers of compliance issues. VVS identified a specific staff to serve as full-time recycling coordinator and WM committed to hire and train a qualified Recycling and Sustainability Manager for the City of Diamond Bar.

Diversion Outreach and Education Programs. Both companies provided a thorough and comprehensive plan for outreach and education accompanied with quality educational materials and state of the art systems to support their programs.

VVS proposal included the following activities to promote diversion programs:

- Identifying key stakeholders and conducting preliminary meetings; training sessions for city personnel; providing information on proper sorting, container usage; targeted meetings with property owners; tracking and monitoring diversion rates, tonnages, and conducting waste compositions; generating regular reports to City; implementing contamination monitoring including physical inspections, photo documentation, and customer notifications; providing continuous assistance through helplines, online platforms, and community engagement events.
- Food Rescue Collaboration including
    - Stakeholder Engagement: Identifying and partnering with established food rescue organizations.
    - Targeted Awareness Campaigns: Informing residents, businesses, and food establishments.
    - Collection and Donation Process: Establishing collection routes, providing safe and hygienic food storage and handling, collaborating with local food banks, shelters, and community organizations.

WM proposal included the following activities to promote diversion programs:

- Hiring a dedicated Recycling and Sustainability Manager
- Targeted education and outreach for all sectors including conducting community workshops including chamber, civic group, HOAs/property managers, educational institutions; distributing educational flyers; creating how-to videos; providing City staff training including City's contracted janitorial service; working with code enforcement; providing City staff training on how to properly recycle.
- Incentive Programs: Residential recycling rewards, commercial recycling rewards, food recovery program that recognizes commercial customers who work with local food recovery organizations.
- Use of Smart Truck SM program to track cart monitoring, which has been approved by CalRecycle for tracking contaminate routes.

- Conducting SB 1383 route audits and cart monitoring; conducting waste evaluations; reports to the City; education and promotion using social media and website, conducting event education; providing non-compliance notifications; conducting annual site visits to review compliance; assistance to the City with waivers.
- Commercial edible food recovery and donation: Create customized educational materials highlighting how and where to participate in edible food recovery and donation.

Proposed Disposal, Transfer, and Processing Facilities. The facilities proposed by both companies meet the requirements of the RFP. Both companies demonstrated the viability of their facility plan and have secured the capacity necessary to manage the material collected within the City. VVS's local infrastructure is located in closer proximity to the City. Table 10 provides a list of the proposed facilities to be used by proposers for landfilling and for recycling and organic waste material processing.

Table 10: Proposed Facilities

Type of Facility	VVS	WM
Organics	**GCR Materials Recovery Facility** 17445 Railroad St City of Industry, CA 91748 Materials are transported to Agromin Organics.	**Azusa Material Recycling Facility** 1504 West Gladstone Azusa, CA 91702 Material to be pre-processed and transported to any of the following: • South Valley Compost Site • South Kern Industrial Center Compost Facility • WM Pala Composting Facility • Ecology Compost
Recyclables	**Grand Central Recycling & T.S.** 17445 Railroad St City of Industry, CA 91748	**Azusa Material Recycling Facility** 1501 West Gladstone Azusa, CA 91702
C&D	**Grand Central Recycling & T.S.** 17445 Railroad St City of Industry, CA 91748	**Downtown Diversion, Inc (DDI)** 2424 E. Olympic Blvd Los Angeles, CA 90021 **Maitri Road Recycling** 24980 Maitri Rd. Corona, CA 92883
Disposal	**El Sobrante Landfill** 10910 Dawson Road Corona, CA 91719 **Olinda Alpha Landfill** 1942 N. Valencia Brea, CA 928239	**El Sobrante Landfill** 10910 Dawson Road Corona, CA 91719
Transfer	**Grand Central Recycling & T.S.** 17445 Railroad St City of Industry, CA 91748	**Pomona Valley Transfer Station** 1371 E. 9th St Pomona, CA 91766 **Grand Central Recycling & T.S.** 17445 Railroad St City of Industry, CA 91748 **Azusa Material Recycling Facility & Transfer Station** 1501 West Gladstone Azusa, CA 91702

Number and Materiality of Exceptions to Agreement

VVS took no exceptions to the draft franchise agreement as published with the RFP.

WM listed two exceptions, 1) Section 105. Extraordinary Rate Adjustments, and 2) Section 13.7 Liquidated Damages. With regards to Extraordinary Rate Adjustments, WM proposed changes to the draft franchise agreement that provides more latitude in the process for securing extraordinary rate adjustments. Additional negotiations will be required to finalize the franchise agreement and due to other considerations, such as their very competitive rates, SVM considers this a serious exception.

With regard to liquidated damages, WM did not propose specific changes but took exception to this section to retain the option to discuss these items with the City during negotiations to further clarify and resolve standards of performance and penalty amounts that WM considers ambiguous, unclear, or excessive. SVM does not consider this exception to be difficult to resolve.

Financial

<u>Financial Stability</u>: VVS and WM demonstrated the financial capabilities necessary to service the City. Based upon the review of the submitted financial statements, both companies are capable of acquiring equipment and providing financial assurance of performance.

WM is a large national corporation with reported revenue of $19.7B for fiscal year 2022 and an asset base of $31.4B. Based on its 2022 financial statement, WM's current ratio calculates to 0.81 ($3,551B / $4,394B) and its debt ratio calculates to 0.78 ($24,503 / $31,367).

VVS is local corporation with reported of $115M for fiscal year 2022 for Valley Vista and Grand Central Recycling combined and an asset base of $15.7M. Based on VVS report, its current ratio calculates to 0.84 ($15.7M / $18.6M) and its debt ratio calculates to 0.57 ($62.4M / $109.3M).

Each company's anticipated capital investment is shown in Table 11. As the largest solid waste services company in North America, WM's financial capabilities exceed those of VVS, however for the purposes of the Diamond Bar contract, both companies are financially equipped to provide the financial stability required by the City.

Table 11: Proposed Capital Investment

Type of Investment	VVS				WM		
Sector	**Residential**	**Commercial**	**Total**		**Residential**	**Commercial**	**Total**
Vehicles	$4,981,199 11	$1,253117 4	$6,234,316 15		$2,800,000 8	$1,125,000 3	$3,925,000 11

Total Units							
Containers **Carts** **Pails** **Bins**	$2,500,491 45,819 15,273 0	$561,672 542 n/a 0	$3,062,163		$2,331,638 45,819 0 0	$510,553 476 n/a 578	$2,842,191
Other	$0	$0	$0		$0	$80,000	$80,000
Total Capital	**$7,481,690**	**$1,814,789**	**$9,296,479**		**$5,131,638**	**$1,715,553**	**$6,847,191**

Table 12 provides a list of the quantities and make and model of the collection vehicles proposed by each company. It should be noted that for WM, the quantity of vehicles provided in Table 11 differ from those in Table 12. The quantity and type of vehicle provided in Table 12 were taken from WM proposal while the quantity of vehicles provided in Table 11 were taken from WM Rate Proposal forms. This is an indication that WM's proposal may be underpriced as it has not accounted for all the costs required to provide the vehicles it proposes to provide.

Table 12: Proposed Collection Vehicles

Company	Automated Side Load	Front-End Load	Scout
VVS	Qty: 10 Chassis: CCC/LWT Body: McNeilus Cubic yard capacity: 28	Qty: 4 Chassis: CCC/LWT Body: F.F. Gomez Cubic yard capacity: 38	Qty: 1 Chassis: Not stated.
WM	Qty: 9 Chassis: Peterbilt 520, Autocar ACX Body: Not Stated Cubic yard capacity: 40	Qty: 4 Chassis: Peterbilt 520, 56 Body: Not stated Cubic yard capacity: 40	Qty: 2 Chassis: Ford F-150

6. RATE PROPOSAL EVALUATION

Proposers were required to provide detailed financial information by completing the Rate Proposal Forms issued with the RFP. This information allows for the evaluation of the proposals rate revenue requirements and reasonableness of their cost assumptions.

The RFP included criteria for evaluation of the Rate Proposal component of the proposals. The criteria are described in detail under ***Section 2.0, Proposal Evaluation Process*** and are included here in summary form for ease of reference:

- **Competitiveness of Cost Proposals**: Cost competitiveness relative to other proposals.
- **Reasonableness of Cost Proposals**: Logical relationship between proposed cost and operation assumptions. Proposals were evaluated on total first-year revenue requirement.

The rate proposals were evaluated based on total revenue requirement. This is important because the economic value of the contract cannot be assessed based on the price of a specific service. For example, a low price quoted for the residential rate may not readily reflect the financial costs of the entire contract. For this reason, the proposals were evaluated on the overall revenue requirement to perform all the services required by the RFP.

6.1 Rate Proposal Competitiveness

Each rate proposal's competitiveness was determined using a formulaic approach. First, the rates quoted in the rate sheets by each proposer were used to project Year 1 revenue requirement. The proposal with the lowest total revenue requirement was given a rating of 100% for competitiveness. The remaining proposals were rated based on the percentage deviation from the proposal with the lowest revenue requirement.

Based on this analysis Option 4-WM Citywide proposal offers the overall lowest revenue requirement for Year 1 and therefore receives a rating of 100%. Option 2 – VVS Residential / WM Commercial offers the second lowest revenue requirement. With a 3.0% additional requirement than Option 4, Option 2 receives a rating of 97.0%. Option 3-VVS Citywide receives a rating of 81.0% as it requires 19.0% more rate revenue than Option 4. Option 1-WM Residential / VVS Commercial requires 21.4% more rate revenue than Option 4 and receives a rating of 78.6%.

Table 13: Revenue Requirement Comptitiveness Rating

Proposer Year 1	Proposed Revenue	Difference from Lowest Option	Percent Difference from Lowest Option	Rating
Option 4: WM Citywide	**$8,410,415**	$0	n/a	100.00%

Option 2: VVS Residential WM Commercial	**$8,706,126**	$295,711	3.0%	97.0%
Option 3: VVS Citywide	**$10,006,865**	$1,596,450	19.0%	81.0%
Option 1: WM Residential VVS Commercial	**$10,276,865**	$1,866,450	21.4%	78.6%

6.2 Rate Proposal Reasonableness

In addition to evaluating rate proposal competitiveness, the reasonableness of the rate proposals was considered. The primary tool used to evaluate the reasonableness of the rate proposals was the preparation of a financial proforma to serve as the Benchmark Proforma. Prior to the public distribution of the RFP, SVM prepared the Benchmark Proforma to project the price for providing the services requested in the RFP. SVM has many years of experience in preparing solid waste services rate proformas. The model considers that there may be variations in proposer costs due to competitive advantages or long-term arrangements they may have made that allows some of the proposers to maintain an economic advantage. However, deviations from revenue requirement identified in the Benchmark Proforma must be reasonably explained.

Our Benchmark Proforma indicated that the services contemplated in the RFP could reasonably be performed with a Revenue Requirement of $10M per year, representing an increase in revenue requirement of 20.1% from the adjusted current revenue requirement of $8.3M.

To perform the reasonableness rating for each rate proposal, the revenue requirement for each rate proposal was compared to and rated based on the percentage deviation from the projected revenue requirement in the Benchmark Proforma. While it was anticipated that proposers would deviate from the Benchmark Proforma due to varying competitive advantages and/or disadvantages, deviations greater than 20% may indicate that a proposal is significantly underpriced or overpriced. This is important because an underpriced proposal can become problematic under a 10-year contractual commitment. If the proposer is financially unable to sustain its operations, the City may have to consider granting unexpected financial relief in order to minimize possible service disruptions.

Based on this analysis, Option 2 and 4 offered first year revenue requirements below the Benchmark Proforma ranging from 13.1 to 16.0. Option 3 offered first year rate revenue at the same level as the benchmark proforma. Option offered rate revenue above the proforma. All of these deviations are reasonable. Option 3 came the closest to the benchmark proforma and received a rating of 100%. Option 1 followed and received a rating of 97%. Option 2 and 4 received a rating of 87% and 84% respectively due to their larger deviation from the benchmark proforma.

Table 14: Revenue Requirement Reasonableness Rating

Proposer Year 1	Proposed Revenue	Difference from Lowest Option	Percent Difference from Lowest Option	Rating
Option 4: WM Citywide	**$8,410,415**	($1,606,284)	-16.0%	84%
Option 2: VVS Residential WM Commercial	**$8,706,126**	($1,309,320)	-13.1%	87.0%
Option 3: VVS Citywide	**$10,006,865**	($3,901)	0.0%	100%
Benchmark Proforma	**$10,010,766**	$0	0%	n/a
Option 1: WM Residential VVS Commercial	**$10,276,865**	266,099	2.7%	97.0%

6.3 Combined Rate Proposal Rating

When the competitiveness and reasonableness ratings are combined, Option 4-WM Citywide ranks 1 with a 92% total. Option 2-VVS-Resi/WM Com ranks second with a 91.95% rating and followed by Option 3-VVS Citywide and Option 1-WM Resi/WM Com.

Table 15: Combined Rate Proposal Rating

	Option 1 WM-RESI VVS-COM	Option 2 VVS-RESI WM-COM	Option 3 VVS CITYWIDE	Option 4 WM CITYWIDE
Revenue Requirement - Competitiveness	79.6%	97.0%	81.0%	100%

Revenue Requirement - Reasonableness	97.3%	86.9%	100%	84.0%
Combined Rating	87.950%	91.95%	90.50%	92.0%
Ranking	4	2	3	1